Santa Barbara County Air Pollution Control District

Regulation II

Rules 201, 202, 203, 204, 205, and 208

Amended 4/17/97

CALIFORNIA AIR RESOURCES BOARD

SIP COMPLETENESS CHECKLIST

*** TO BE COMPLETED BY DISTRICT AND RETURNED TO ARB ***

All rules submitted to the EPA as State Implementation Plan (SIP) revisions must be supported by certain information and documentation for the rule packages to be deemed complete for review by the EPA. Rules will not be evaluated for approvability by the EPA unless the submittal packages are complete. To assist you in determining that all necessary materials are included in rule packages sent to the ARB for submittal to the EPA, please fill out the following form and include it with the rule package you send us. See the ARB's <u>Guidelines on the Implementation of the EPA's Draft SIP Completeness Policy</u>, October 1989, for a more detailed explanation than is provided here.

DISTRICT SANTA BARBARA RULE NO. 102, REGULATION II, REGULATION VIII and other rules updated for references.

DATE ADOPTED OR AMENDED APRIL 17, 1997.

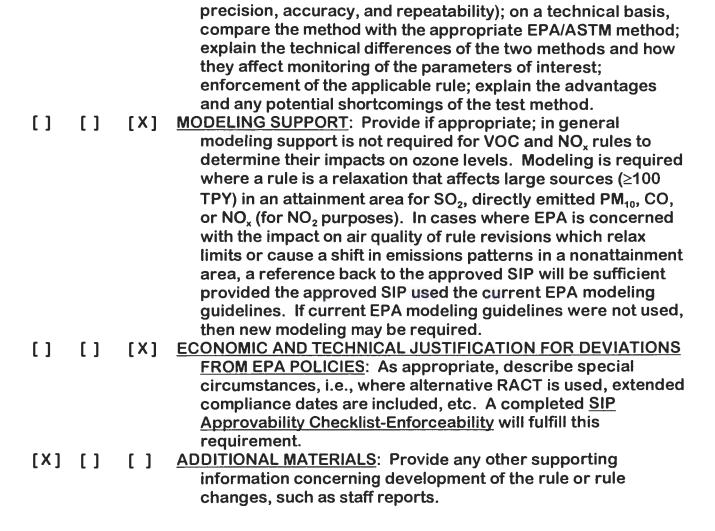
RULE TITLE _RULE 102 (DEFINITIONS), REGULATION II - PERMITS, REGULATION

VIII - NEW SOURC REVIEW Rule 1301- General Information, Rule 333 - Control of Emissions from Reciprocating Internal Combustion Engines, Rule 342 - Control of NO_x from Boilers, Steam Generators, and Process Heaters, Rule 339 - Motor Vehicle and Mobile Equipment Coating Operations, Rule 210 - Fees, Rule 316 - Storage and Transfer of Gasoline, Rule 321- Control of degreasing Operations.

ADMINISTRATIVE MATERIALS

_Atta	ached	_	
	No*		
[X]	[]	[]	COMPLETE COPY OF THE RULE: Provide an unmarked copy of the entire rule as adopted or amended by your District Board.
[X]	[]	[]	UNDERLINE AND STRIKEOUT COPY OF THE RULE: If an amended rule, provide a complete copy of the rule indicating in underline and strikeout format all language which has been added, deleted, or changed since the rule was last adopted or amended.

[]	[]	[X]	COMPLETE COPY OF REFERENCED RULE(S): For any rule which includes language specifically referencing another rule, a copy of that other rule must also be submitted, unless it
			has already been submitted to EPA as a part of a previous SIP submittal.
[X]	[]	[]	PUBLIC NOTICE EVIDENCE: Include a copy of the local newspaper clipping certification(s), stating the date of
			publication, which must be at least 30 days before the
			hearing. As an alternative, include a copy of the actual published notice of the public hearing as it appeared in the
			local newspaper(s). In this case, however, enough of the
			newspaper page must be included to show the date of publication. The notice must specifically identify by title and
rv 1	f 1	εı	number each rule adopted or amended.
[X]	[]	[]	RESOLUTION/MINUTE ORDER: Provide the Board Clerk certified resolution or minute order. This document must
			include certification that the hearing was held in accordance
			with the information in the public notice. It must also list the rules that were adopted or amended, the date of the public
			hearing, and a statement of compliance with California Health
			and Safety Code Sections 40725-40728 (Administrative Procedures Act).
*			parate sheet for each rule explaining why any materials are not when they will be submitted to the ARB.
	111010	idod di	ia when they will be dublinted to the AND.
[X]	ר זר י	1 PUB	LIC COMMENTS AND RESPONSES: Submit copies of written
			public comments made during the notice period and at the public hearing. Also submit any written responses prepared by the District staff or presented to the District Board at the public hearing. A summary of the public comments and
			responses is adequate. If there were no comments made during the notice period or at the hearing, please indicate N/A
			to the left.
			TECHNICAL MATERIALS
[X]	[]	[]	RULE EVALUATION FORM: See instructions for completing the
[]	[]	[X]	Rule Evaluation Form and the accompanying sample form. NON-EPA TEST METHOD: Include all test methods referenced in
r J	r J	["]	the rule, but not previously submitted to EPA. Provide an
			explanation of the purpose and principle for the test method and include the following supporting technical data: describe
			the test details (number of tests to be carried out, their



RES Revised 3/93

I. GENERAL INFORMATION

District: Santa Barbara County APCD Rule No.: Rule 102, Regulation II, Regulation VIII Adopted or Amended: April

17, 1997

Rule Title: Rule 102 (Definitions), Reg II - Permitting, Reg VIII - New Source Review.

Date Submitted to ARB: If an Amended Rule, Date Last Amended (or Adopted): Rule 102 (July 18, 1996), Reg II (various dates), Reg VIII (new) Rule 333 - Control of Emissions from Reciprocating Internal Combustion Engines (12/10/1991), Rule 342 - Control of NO_x from Boilers, Steam Generators, and Process Heaters (3/10/92), Rule 339 - Motor Vehicle and Mobile Equipment Coating Operations (2/15/94), Rule 210 - Fees (5/7/91), Rule 316 - Storage and Transfer of Gasoline (2/14/93).

Is the Rule Intended to be Sent to the U.S. EPA as a SIP Revision? (x) Yes () No (If NO, do not complete remainder of form.)

District Contact: Reg II - Bette Easton, Reg VIII - Tad Bixler.: Phone: Easton (805) 961-8898. Bixler (805) 961-8896****

Narrative Summary of New Rule or Rule Changes: (x) New Rule (x) Amended Rule

The changes to Rule 102, Reg. II, Reg. VIII, Rule 333, Rule 342, Rule 339, Rule 210 and Rule 316 are summarized below:

1. Rule 102 - Numerous changes, additions and deletions to definitions. See strikeout/underline text.

2. <u>Regulation II</u>

- Rule 201 Provision for combined Authority to Construct and Permit to Operate.
- Rule 202 Emissions caps, restrictions on drill rig exemption, new exemptions for Military, Semiconductor industry.
- . Rule 203 Clarification of requirements for transferring permits.
- . Rule 204 Clarification of permitting requirements.
- . Rule 205 Most requirements moved to Regulation VIII.
- . Rule 208 Implements state mandates for permit streamlining.

3. Regulation VIII

- Rule 801 Changes definition of Net Emission Increase.
- . Rule 802 Change of BACT threshold level, threshold criteria and source applicability, offset thresholds.
- Rule 803 Change in base year for net emission increase, pounds per hour threshold change to pounds per day, change of offset threshold.
- . Rule 804 Sets requirements for obtaining offsets and ensuring that offsets are permanent, surplus, and quantifiable.
 - Rule 805 Sets requirements for performing Air Quality Impact Analysis and modeling.
 - Rule 806 Sets requirements for registering emission reductions as emission reduction credits.

4. Administrative changes

Rule 333, Rule 342, Rule 339, Rule 210, and Rule 316 - Update references to Regulation II for consistency with Revised Regulation II

Pollutant(s) Regulated by the Rule (Circle): (ROG) (NO_x) (SO_x) (PM₁₀) (CO) TAC (name): ______

II. EFFECT ON EMISSIONS

Complete this section ONLY for rules that, when implemented, will result in quantifiable changes in emissions. Attach reference(s) for emission factor(s) and other information. Attach calculation sheet showing how the emissions information provided below was determined.

The adoption and implementation of Rule 102, Regulation II and Regulation VIII is not expected to have a net effect on emissions. Changes which may relax some requirements, such as new exemptions, are balanced by more restrictive changes such as emission caps, and lowering of BACT and offset thresholds. Rule 333, Rule 342, Rule 339, Rule 210, and Rule 316

E S	mission Reduct CC/CES Code A IOTE: If more than one	Affected: <u>NA</u> If a S	SIP for this Sou SCC Code is Assi	(x) N/A rce Category: <u>NA</u> tons/ye gned, SIC Code Affected: SCC and SIC codes are needed, fill out the follow		form for each combination
emis	sions reduction	s committed to in	the SIP.	ion II and Regulation VIII revision 1994 Area Affected: Santa Baation on as many years as possib	arbara County	e amount of
ear	Tons/year Reductions (Increases)	Baseline Tons/year Subject to Rule	Control Level	Percent Control	Control Level	Control Factor

III. SOURCES/ATTAINMENT STATUS

District is: () Attainment (X) Nonattainment () Split

Approximate Total Number of Small (< 100 TPY) Sources Controlled by Rule: unknown

Percent in Nonattainment Area: 100 %

Number of Large (3 100 TPY) Sources Controlled: 10 Percent in Nonattainment Area: 100

Name(s) and Location(s) (city and county) of Large (3 100 TPY) Sources Controlled by Rule (Attach additional sheets as

necessary.):

Facilities emitting over 100 tons of any criteria pollutant in 1995

1995 EMISSIONS (Tons)

FACILITY	ROG	NOX	SOX	CO	PM10	CITY
Celite Corporation	8	138	443	3	27	Lompoc
Ellwood O & G Processing Facility	106	12	0	1	1	Goleta
Battles Oil & Gas Plant	58	79	0	105	1	SMV Field
South Cuyama Unit (SCU)	158	71	0	243	2	Cuyama
Gaviota Oil & Gas Plant	148	22	0	39	9	South County
Pacific Offshore Pipeline	118	18	7	8	1	South County
Cat Canyon IC Engines	116	202	0	143	1	Cat Canyon Field
Orcutt Hill IC Engines	53	352	10	70	2	Orcutt Hill Field
Carpinteria IC Engines	25	2	0	311	0	Carpinteria
Platform Harvest	60	131	31	81	/.	•

IV. EMISSION REDUCTION TECHNOLOGY

Does the Rule Include Emission Limits that are Continuous? () Yes (X) No If Yes, Those Limits are in Section(s) of the rule.

Other Methods in the Rule for Achieving Emission Reductions are:

٧. OTHER REQUIREMENTS

Discussion:

The	Rule Contains:		
	Emission Limits in Section(s):	1A	Work Practice Standards in Section(s): NA
	Recordkeeping Requirements in Section	(s): NA.	Reporting Requirements in Section(s):
	Attach a Completed EPA SIP Approvabil Strategy Statement.	lity Checklist - E	nforceability or Provide an Equivalent Compliance/Enforcement
VI.	IMPACT ON AIR QUALITY PLAN		
	(X) No Impact () Impacts RFP	() Impacts A	attainment

SIP APPROVABILITY CHECKLIST - ENFORCEABILITY

SIP Package No.	Date Rec	Date Due	
STATE: California, County of	Santa Barbara		

Subject Matter: Rule 102 (Definitions), Regulation II - Permits, Regulation VIII - New Source Review, Rule 1301- General Information, Rule 333 - Control of Emissions from Reciprocating Internal Combustion Engines, .Rule 342 - Control of NO, from Boilers, Steam Generators, and Process Heaters, Rule 339 - Motor Vehicle and Mobile Equipment Coating Operations, Rule 210 - Fees, Rule 316 - Storage and Transfer of Gasoline, Rule 321- Control of degreasing Operations.

The new rules and rule modifications are a comprehensive overhaul of the District's permitting and new source review rules. Definitions have been added, deleted and modified. Exemptions have been added, deleted, and modified. Mandated permit streamlining provisions have been added. BACT and offset triggers have been changed. Offset ratios have been changed. An emission credit banking system has been established. Rule 210, Rule 1301 and the 300 series rules were revised simply to correct references to Regulation II that were changed.

Enforceability Analysis				Approvability (Approvable or Not)
Appli	cability			
a. V	Vhat sources are being regulated?	RULE 201	Clarity.	
b. V	Vhat are criteria for exemption?	RULE 202	Clarity.	
	s calculation procedure for exemption clearly specified?	RULE 202.D THROUGH 202.V	Example calculation or clear explanation of how to determine exemption (line by line, etc.)	

nforc	eability Analysis	State Submittal (list responses)	EPA Requirement	Approvability (Approvable or Not)
d.	Is emission inventory listed in the background document of the attainment demonstration?	1994 Clean Air Plan	Inventory including allowable and actual emissions in source category should be included, for enforcement purposes and independent of any Clean Air Act requirements, in the attainment demonstration if such data is necessary for determining baselines in regulations.	
a.	Is the averaging time(s) used in the rule different from that of the ambient standard?	NA	The averaging time in the rule must be consistent with protecting the ambient standard in question. Normally, it should be equal to or shorter than the time associated with the standard. Longer term averaging is available only in limited instances provided that the ambient standard is not compromised.	
b.	What are the units of compliance (lbs VOC per gallon solids applied less water, grains per standard cubic foot?)	NA	Clearly stated in the rule.	
c.	Is bubbling or averaging of any type allowed? If yes, state criteria. Could a U.S. EPA inspector independently determine if the criteria were met? Does EPA have to approve each case?	NA.	Explicit description of how averaging, bubbling, or equivalency is to be determined. VOC equivalency must be on a "solids applied" basis. Any method must be independently reproducible. Provision must be explicit as to whether EPA case-by-case approval required. If provision intended to be "generic" then EPA bubble policy must be met.	

Enforceability Analysis	State Submittal (list responses)	EPA Requirement	Approvability (Approvable or Not)
d. If there is a redesignation, will this change the emission limitations? If yes, which ones and how?	NA	Regulation may not automatically allow for self nullification upon redesignation of area to attainment. New maintenance demonstration required in order to drop regulation.	

1.	Co	mpliance Dates		
	a.	What is compliance date?	NA	Must not be later than approved or about to be approved date of attainment unless
	b.	What is the attainment date?		emission reductions not necessary for attainment. In some cases, it will be necessary for the regulation to specify dates in compliance schedules that are required to be submitted by source to state.
2.	Spo	ecificity of Conduct		
	a.	What test method is required?	NA	Test method must be explicitly stated.
	b.	What is the averaging time in compliance test method?	NA	Averaging time and application of limit must be explicit.
	C.	Is a compliance calculation or evaluation required (i.e., daily weighted average for VOC)?	NA	
	d.	If yes to "c," list the formula, period of compliance, and/or evaluation method.		Formula must be explicit.
3.	Inc	orporation by Reference		
	a.	What is state authority for rulemaking?	NA	
	b.	Are methods/rules incorporated by reference in the right manner?	NA	

_ ^ --

4.	Red	cordkeeping		
	a.	What records are required to determine compliance?	NA	Clarity.
	b.	In what form or units (lbs/gal, gr/dscf, etc.) must the records be kept? On what time basis (instantaneously, hourly, daily)?	RULE 202.D THROUGH 202.V RULE 204.E	Records to be kept must be consistent with units of compliance in the performance requirements, including the applicable time period.
	c.	Does the rule affirmatively require the records be kept?	202.D.1	There must be a clear separately enforceable provision that requires records to be kept.
5.	Exe	emptions		
	a.	List any exemptions allowed.	RULE 202	Must be clearly defined and distinguishable from what constitutes a
6.	b. Ma	Is the criteria for application clear? Ifunction Provisions	202.D.5.b	violation. Rule must specify what exceedances may be excused, how the standard is to be applied, and who makes the determination.

SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT BOARD STATE OF CALIFORNIA

* * * * *

MINUTE ORDER

April 17, 1997, in the p.m.

Present: Directors Tom Urbanske, Naomi Schwartz, Jeanne Graffy, Gail Marshall, Timothy J. Staffel, Richard Weinberg, Harriet Miller, Jim Groessl, Russ Hicks, William Schuyler, Larry Lavagnino, Ken Westall; and Michael Allen, Clerk (Allen)

Director Urbanske in the Chair

To consider adoption of a resolution adopting proposed amendments to Air Pollution Control District Definitions (Rule 102); Permits (Regulation II) and associated amendments to Air Pollution Control District Rules 201, 202, 203, 204, 205 and 208; and adopting New Source Review Regulations (Regulation VIII) and new Air Pollution Control District Rules 801, 802, 803, 804, 805 and 806; adopting minor amendments to references in Air Pollution Control District Rules 210, 316, 321, 333, 339, 342 and 1301; amending the 1991 Air Quality Attainment Plan regarding offset trading ratio; adoption of associated findings pursuant to Health and Safety regarding authority, necessity, clarity, §40727 Code consistency, nonduplication and reference; and associated findings pursuant to California Environmental Quality Act (CEQA) and CEQA guidelines including certification of Environmental Impact Report (SBCAPCD-95-EIR-1). (97-20,449) (EST. TIME: 2 HRS.)

Board member Lavagnino recused himself and did not participate in the hearing.

Staffel/Hicks Adopted.

in California

APCD RESOLUTION NO. 97-3

No: Marshall

Absent: Westall, Graffy, Weinberg

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5-6-97 By Dense

RESOLUTION OF THE AIR POLLUTION CONTROL DISTRICT BOARD OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF AMENDING)	APCD RESOLUTION NO. 97-3
RULES 102, 201, 202, 203, 204, 205,)	
208, 210, 316, 321, 333, 339, 342, 1301)	
AND PROPOSED REGULATION VIII)	
AIR POLLUTION CONTROL DISTRICT)	
)	

RECITALS

- The Air Pollution Control Board of the County of Santa Barbara ("Board") is authorized to adopt, amend, or repeal rules and regulations pursuant to
 Health and Safety Code Section 40001 et seq.
- 2. Pursuant to Health & Safety Code 40001, the Board is required to adopt and enforce rules and regulations to achieve and maintain the state and federal ambient air quality standards.
- (Definitions), amend Regulation II (Permits), adopt a new Regulation VIII (New Source Review), adopt housekeeping amendments to Rules 210, 316, 321, 333, 339, 342, and 1301, and to amend the 1991 Air Quality Attainment Plan. The amendments to Rule 102 provide new and amended definitions which apply to the entire rule book. The amendments to Regulation II establish the basic permitting system, including exemptions and permit streamlining requirements. New Regulation VIII establishes threshold levels of air pollutants which require Best Available Control Technology and offsets. The

Resolution -1 - April 17, 1997

housekeeping amendments correct superseded references. The amendment to the 1991 Air Quality Attainment Plan establishes new offset ratios.

THEREFORE, IT IS HEREBY RESOLVED THAT:

- 1. The Environmental Impact Report No. SBCAPCD-95-EIR-1 revised, considered as part of the record for the amendment of these rules has been completed in compliance with the California Environmental Quality Act ("CEQA") and was presented to this Board and reviewed and considered prior to approving this project.
- 2. The findings set forth in Attachment 1 of the Board Package dated April 17, 1997 (hereinafter "Board Letter") are hereby adopted as findings of this Board pursuant to the California Environmental Quality Act (CEQA) and the CEQA guidelines.
- 3. The findings set forth in Attachment 2 of the Board Letter are hereby adopted as findings of this Board pursuant to Health and Safety Code section 40727.
- 4. The 1991 Air Quality Attainment Plan set forth in Attachment 5 is hereby amended pursuant to the California Clean Air Act of 1988.
- 5. The rules set forth in Attachment 6 of the Board Letter are hereby amended as rules of the Santa Barbara County Air Pollution Control District pursuant to Health and Safety Code section 40725 et seq.
- 6. The Board authorizes the Control Officer to transmit the new rules to the State Air Resources Board in compliance with applicable state and federal law.

 Additionally, the Board authorizes the Control Officer to do any other acts necessary and proper to obtain necessary approvals of the new rules by the California Air Resources

 Board and the United States Environmental Protection Agency.

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PASSED AND ADOPTED by the Air Pollution Control District Board of

the County of Santa Barbara, State of California, this 17th day of April 1997, by the

following vote:

Note: APCD Board member Larry Lavagnino recused himself and did not participate in this matter.

AYES:

Staffel, Hicks, Schwartz, Urbanske, Schuyler, Miller, Groessl

NOES:

Marshall

ABSTAIN: None

ABSENT: Westall, Graffy, Weinberg

District Board of the County of

Santa Barbara

ATTEST:

MICHAEL F. BROWN CLERK OF THE BOARD

Deputy

APPROVED AS TO FORM:

STEPHEN S. STARK

COUNTY COUNSEL

Deputy County Counsel

Attorney for the Air

Pollution Control District

Resolution April 17, 1997 - 3 -

Tad Kyler

JUN 16 1997 SEAPCD

RECEIVED

RESOLUTION OF THE AIR POLLUTION

CONTROL DISTRICT BOARD OF THE COUNTY OF

SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF AMENDING RULES 102, 201, 202, 203, 204, 205,) APCD RESOLUTION NO. 97-3
208, 210, 316, 321, 333, 339, 342, 1301 AND PROPOSED REGULATION VIII	RECEIVED
AIR POLLUTION CONTROL DISTRICT	JUN 2 5 1997
RECI	RULE EVALUATION SECTION AIR RESOURCES BOARD

1. The Air Pollution Control Board of the County of Santa Barbara ("Board") is authorized pursuant to Health and Safety Code Section 40001 et seq. to adopt and enforce rules and regulations to achieve and maintain the state and federal

ambient air quality standards

- 2. Pursuant to Health and Safety Code section 40918(a)(1), the

 District is required to adopt a permitting program that achieves a no net increase in

 emissions of nonattainment pollutants or their precursors from new or modified stationary

 sources which emit or have the potential to emit 25 tons per year or more of

 nonattainment pollutants or their precursors.
- 3. The Board has determined that a need exists to amend Rule 102 (Definitions), amend Regulation II (Permits), adopt a new Regulation VIII (New Source Review), adopt housekeeping amendments to Rules 210, 316, 321, 333, 339, 342, and 1301, and to amend the 1991 Air Quality Attainment Plan. The amendments to Rule 102 provide new and amended definitions which apply to the entire rule book. The amendments to Regulation II establish the basic permitting system, including exemptions

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and permit streamlining requirements. New Regulation VIII establishes threshold levels of air pollutants which require Best Available Control Technology and offsets. The housekeeping amendments update superseded references. The amendment to the 1991 Air Quality Attainment Plan establishes a new offset ratios for emission trades between sources within 7.5 miles of each other.

THEREFORE, IT IS HEREBY RESOLVED THAT:

- 1. The Environmental Impact Report No. SBCAPCD-95-EIR-1, State

 Clearing House Number 94071033, is part of the record for the amendment and adoption

 of the above referenced rules and regulations and the amendment to the Air Quality

 Attainment Plan, and has been completed in compliance with the California

 Environmental Quality Act ("CEQA") and presented to this Board and reviewed and

 considered prior to approving this project.
- 2. The findings set forth in Attachment 1 of the Board Package dated April 17, 1997 (hereinafter "Board Letter") are hereby adopted as findings of this Board pursuant to the CEQA and the CEQA guidelines.
- 3. The findings set forth in Attachment 2 of the Board Letter are hereby adopted as findings of this Board pursuant to Health and Safety Code section 40727.
- 4. The 1991 Air Quality Attainment Plan prepared pursuant to the California Clean Air Act of 1988 is hereby amended as set forth in Attachment 5 of the Board letter.
- 5. The Board has reviewed and considered the "Demonstration of Equivalency" prepared by Staff and finds that, based on the evidence and analysis

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contained therein, the provisions of proposed Rule 802 meet the requirements of Health and Safety Code section 40918(a)(1). The Board finds that the District's permitting program as proposed in Rule 802 will provide for a no net increase in emissions of nonattainment pollutants or their precursors from new or modified stationary sources which emit or have the potential to emit 25 tons per year or more of nonattainment pollutants or their precursors.

- 6. District Rules 102, 201, 202, 203, 204, 205, 208, 210, 316, 321, 333, 339, 342, and 1301 are hereby amended and proposed Regulation VIII is hereby adopted as Rules and Regulations of the Santa Barbara County Air Pollution Control District, as forth in Attachment 6 of the Board Letter and supplemented at the Board hearing on April 17, 1997, pursuant to Health and Safety Code section 40725 et seq.
- 7. The Board directs the Control Officer to monitor the effects of Rule 802 and to compile emissions data from new and modified sources in order to determine whether the rule achieves a no net increase in emissions of nonattainment pollutants or their precursors from new or modified stationary sources which emit or have the potential to emit 25 tons per year or more of nonattainment pollutants or their precursors. The Board further directs the Control Officer to report to this Board on an annual basis as to whether the District's permitting program achieves the mandate of Health and Safety Code section 40918(a)(1).. That report shall also be forwarded to the Air Resources Board for its review.
- 8. The Board will consider the results of the Control Officer's report pursuant to paragraph 7, above, and consider any other relevant evidence, and, further,

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consider addition rulemaking as necessary to comply with the mandates Health and Safety Code section 40918(a)(1).

9. The Board authorizes the Control Officer to transmit the new and amended rules and regulation and the amended Air Quality Attainment Plan to the State Air Resources Board in compliance with applicable state and federal law. Additionally, the Board authorizes the Control Officer to do any other acts necessary and proper to obtain necessary approvals of the California Air Resources Board and the United States Environmental Protection Agency.

PASSED AND ADOPTED by the Air Pollution Control District Board of the County of Santa Barbara, State of California, this 17th day of April 1997, by the following vote:

> AYES: Miller, Hicks, Groessl, Schuyler, Staffel, Urbanske, Schwartz

NOES: Marshall

ABSTAIN: None

ATTEST:

MICHAEL F. BROWN

CLERK OF THE BOARD

ABSENT: Westall, Graffy, Weinberg

Chair, Air Pollution Control District Board of the County of

Santa Barbara

APPROVED AS TO FORM By: STEPHEN SHANE STARK Deputy Clerk

COUNTY COUNSEL

Deputy County Counsel Attorneys for the Air Pollution Control District

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RULE 201. PERMITS REQUIRED. (Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised 7/2/1979, and 4/17/97)

A. Applicability

This rule applies to any person who builds, erects, alters, replaces, operates or uses any article, machine, equipment, or other contrivance which may cause the issuance of air contaminants.

[Note: Format change for consistency with other rules.]

B. Exemptions

Exemptions to this rule appear in Rule 202 (Exemptions to Rule 201).

[Note: Format change for consistency with other rules.]

C. Definitions

See Rule 102 for definitions not limited to this rule. For the purposes of this rule, the following definitions shall apply:

[Note: Format change for consistency with other rules.]

"Erect" means the setting up, installing, or assembling of equipment that can be moved from one location to another and that must be stationary in order to operate.

[Note: Definition added to deal with equipment that is ready to use as purchased and merely needs to be plugged into a socket, or is skid-mounted or is a simple flange-to-flange installation.]

AD. Requirement - Authority to Construct

- Any person building, erecting, altering, or replacing any article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants or the use of which may eliminate or reduce or control the issuance of air contaminants, shall first obtainan Authority to Construct authorization for such construction from the Control Officer. An Authority to Construct issued to a source shall remain in effect until the Permit to Operate the equipment for which the application was filed is granted or denied or the application expires is canceled.
- 2. Notwithstanding any exemption in these rules and regulations, equipment used for the dredging of waterways, except during emergencies declared by public officials in accordance with state law, or equipment used in pile driving adjacent to or in waterways, or pipe-laying and derrick barges, shall obtain an Authority to Construct and a Permit to Operate when the potential to emit of such equipment per stationary source is equal to or greater than 25 tons per year of any affected pollutant during any consecutive 12 month period. The Control Officer shall not require Best Available Control Technology for such sources if federal law preempts this requirement.

[Note: The referenced equipment represents very large sources of air pollution that require controls.]

BE. Requirement - Permit to Operate

1. Source Compliance Demonstration Period

After issuance of an Authority to Construct and prior to issuance of a Permit to Operate, the Control Officer may require an applicant to undergo a Source Compliance Demonstration Period, to evaluate each article, machine, equipment or other contrivance listed within the Authority to Construct. The applicant must show that all of the listed equipment is so designed, controlled or equipped with such air pollution control equipment, that it may be expected to be operated in compliance with Sections 41700 or 41701 of the Health and Safety Code and these Rules and Regulations and any limitation or permit condition of the Authority to Construct.

[Note: The SCDP has until now been administered as a District Policy & Procedure. This language both defines and provides mandates.]

2. Permit to Operate

Before any article, machine, equipment or other contrivance described in Rule 201(AD) may be operated or used, a written permit shall be obtained from the Control Officer. No Permit to Operate or use shall be granted either by the Control Officer or the Hearing Board for any article, machine, equipment or contrivance described in Rule 201(AD) constructed or installed without authorization as required by Rule 201(AD) until the applicant presents such information or analysis as will disclose the nature, extent, quantity or degree of air contaminants which the source may discharge. The Control Officer may also require the same information if an article, machine, equipment or contrivance is altered or modified to conform to the standards set forth inRule 205 and elsewhere in these Rules and Regulations. Further, the Control Officer may require that the disclosures described be certified by a professional engineer registered by the State of California.

3. Consolidated Authority to Construct/Permit to Operate

The Control Officer may issue a consolidated Authority to Construct/Permit to Operate.

[Note: From H&SC 42300, Air Pollution Permit Streamlining Act.]

[NOTE: THE REQUIREMENTS OF SECTION C. SHOWN BELOW IN "STRIKE-OUT" FORMAT HAVE BEEN REORGANIZED, CLARIFIED, AND MOVED TO PROPOSED RULE 204 SECTION E.]

C. New Source Review (Revised 7/2/79.)

1. General

- a. This section outlines information required of applicants seeking permits to construct or modify pollution sources and time frame processing required of the District. While an application is being processed, the Control Officer may request the applicant to clarify, amplify or supplement the information required by this rule. All information required by this section must be submitted before an application can be considered to be complete.
- b. The information requirements are divided into three parts. Paragraph 4 identifies the information required of all applicants seeking permits. Paragraph 5 identifies additional information required for applications where Best Available Control Technology, but not Air Quality Impact Analysis, is mandatory. Paragraph 6 identifies further information required for applications where Air Quality Impact Analysis is mandatory. Where a modified source is subject to Best Available Control Technology or Air Quality Impact Analysis, some of the information required in this rule may also be required for the existing portion of the facility.
- c. The District urges all applicants to discuss their projects with our staff prior to the filing of applications. For some projects, it may not be necessary to submit all the information

listed to have an application deemed complete. Consultation with the District staff will expedite the process by identifying the specific information that will be required of an applicant.

- d. Prior to filing an application with the District, when applicable, all applicants are urged to participate fully in the early stages of the EIR process being undertaken by the lead agency for the applicant's project in order: (1) to be apprised of the applicable air quality and other environmental constraints, and (2) to make such project modifications as may be necessary to satisfy those constraints. Also, for new major stationary sources or major modified stationary sources, as defined in Rule 205.C:
 - An Application for Authority to Construct under Rule 205.C shall not be deemed complete until a draft EIR has been completed on the proposed project.
 - A draft EIR must contain a detailed analysis of alternative sites, sizes, production processes, and environmental control techniques.
 - The application must demonstrate that benefits of the proposed project significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification.

This does not relieve non major stationary sources from EIR requirements of other Federal, State or local agencies.

- e. An applicant seeking an exemption provided for in any rule or regulation of the district must supply the Control Officer with all-information necessary for the Control Officer to determine whether such an exemption should be granted.
- 4. Information Required General

If the net emission increase from the new or modified source will be less than 5 pounds per hour-for each air contaminant, the applicant shall submit the appropriate application form including the following information:

- a. A schematic of the basic equipment and control equipment showing:
 - 1) Electric motors and horsepower.
 - 2) Capacity or dimensions of any storage vessels.
 - 3) Manufacturer, model and Btu rating of any burners.
- b. Normal operating hours.
- c. Raw material usage.

5. Information Required Best Available Control Technology

If the emission increase for a new source will be 5 pounds per hour or more, but less than 10 pounds per hour or the total emissions after modification of an existing source will be 5 pounds per hour or more, but less than 15 pounds per hour then for each air pollutant contaminant, the applicant shall submit the appropriate application form, a completed "Summary of Air Pollutant Emissions, APCD Form 29," and the information outlined below. All calculation sheets should be attached and references used should be identified. For emission calculations, proven experimental data or EPA's AP 42 factors are preferred.

Scaled and dimensioned plot plan or facility which shows and identifies the locations of: 1) Public and private streets. 2) Property lines. Existing and proposed buildings (indicate their heights). Adjacent property owners and uses. Storage areas for fuel, materials and products. Basic, control and air monitoring equipment. Piping and ducts for carrying fuels, products and possible sources of air pollutants. Points of emissions. Detailed schematic of basic equipment and control equipment and listing of: Electric motor driven equipment and horsepower. Also list equipment driven by other prime movers such as steam or heat engines. Vessels with capacity and dimensions. Pumps and compressors. Give manufacturer, model, type and type of gland seal used. Burners, manufacturer, model, Btu rating, mode of atomization, mode of control (manual, high low, etc.), firing type (tangential, opposed, front, etc.), fuel type and temperature and excess air used. Air pollution control equipment showing manufacturer, model and type. Include horsepower or any prime movers. Automatic control equipment and principal instrumentation. Description of Operation

Time hours/day, days/week, days/year. State season or time when plant will

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not be in operation.

Loads Provide tabulation showing:

- a) Hourly raw material usage, fuel usage, electrical usage, rate of production, rate of emission of pollutants and stack gases at maximum design capacity and at 'normal' working level.
- b) -- Estimated annual totals in tons/year.
- Provide particle size distribution and other pertinent physical and chemical properties of emissions.
- 3) Include pressures, temperatures (including stack temperatures) and sequences.
- 4) For burners, provide manufacturer and model and mention excess air, fuel preheating and atomization mode, type of fuel, and type of controls used to ensure efficient combustion. When oil tanks are used, schematic with relief valve settings and vapor pressure at storage temperature.
- 5) Describe and estimate fugitive emissions incidental to the plant and its operation.

6. Information Required - Air Quality Impact Analysis

If the emission increase—for a new source will be 10 pounds per hour or more, or for modifications with a net increase of 5 pounds per hour or more where the total emissions, after modification, of an existing source will be fifteen (15) pounds per hour or more, of any pollutant, and the emissions are not being mitigated by trade offs, the applicant shall submit all information required in Paragraph 5 above plus the information outlined below.

- a. any monitoring stations that may be installed by applicant.
- b. Sufficient data to perform an impact analysis from all emission points and fugitive emissions.
 - 1) Meteorological data.
 - 2) Topographical data.
 - 3) Air quality data.
 - 4) -- Computer modeling data, including assumptions that should be made.
- c. Identify all facilities within the air basin that are owned or operated by the applicant and the compliance status of each.
 - d. Power Consumption of Facility
 - Total amount of electrical power to be consumed by the new facility or the increase in the amount of electrical power to be consumed due to the modification.
 - Percentage of electrical power provided by off site generating facilities;
 identify the source of power.

e. Cargo Carriers

List the frequency of visits, describe types and sizes of all cargo carriers (other than motor vehicles), identify nature of cargo, and conditions under which the cargo is transferred.

f. If the applicant is applying for trade offs from other existing sources, provide sufficient information to determine whether adequate emission reductions will be achieved to offset the air quality impacts of the applicant's source (e.g., name and location of trade off sources and of how the emission trade offs will be effected).

g.- List-proposed mitigating measures:

- 1) --- Air pollution control equipment proposed.
- 2) Process changes or operations utilized to reduce emissions.
- 3) Other.

h. Identify any air quality impacts from the following precursor secondary pollutant relationships.

Precursors		Secondary Pollutants
Hydrocarbons and substituted hydrocarbons (reactive organic gases)	a) b)	Photochemical oxidant (ozone) The organic fraction of suspended particulate matter
Nitrogen oxides (NO _x)	a) b)	Nitrogen dioxide (NO ₂) The nitrate fraction of suspended particulate matter
Sulfur Oxides (SO _X)	a) b) c)	— Sulfur dioxide (SO ₂) — Sulfates (SO ₄) — The sulfate fraction of suspended particulate matter

"Precursor" means a directly emitted pollutant that, when released to the atmosphere, forms or causes to be formed or contributes to the formation of a secondary pollutant for which an ambient air quality standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more ambient air quality standards.

2. Time Requirements for Review

Within 30 days after receiving an application, the Control Officer will advise the applicant, in writing, whether the application is complete. If an application is deemed incomplete, the Control Officer will notify the applicant of what additional information needs to be provided.

Upon receipt of the required information, a new 30 day review period shall begin.

F. Requirement - Expiration of Authority to Construct

If unused, an Authority to Construct shall automatically expire one year from the date of issuance. An application for Permit to Operate existing equipment may be canceled one year from the date of filing of the application, if unused.

[Note: The intent is to prevent an ATC from surviving after technology or regulations have changed. Language transferred from current Rule 102 definition of "Cancellation of Application". See Community Development Com. v. City of Fort Bragg (1988) 204 Cal. App.3d 1124, 1129. and Morgan v. county of San Diego (1971) 19 Cal. App.3d 636, 641. Both of these cases indicate that if a permittee proceeds in good faith with the steps necessary to build the project (including financing, site acquisition, other government permits) then this may constitute "use" of a permit that will prevent its expiration.]

G. Requirement - Permit Reissuance and Reevaluation

A Permit to Operate shall be valid for one year and shall be eligible for extension provided the permittee is in compliance with permit conditions as determined by the District's annual compliance inspection and upon the payment of fees. The Control Officer may prohibit the reissuance of a Permit to Operate, or revise it as authorized by law, if the article, machine, equipment or contrivance subject to the permit does not comply with all applicable orders, rules and regulations of the District and CARB, and Division 26 of the Health and Safety Code, including Health and Safety Code Sections 42301(e) and (f). A Permit to Operate shall be reevaluated by the Control Officer every three years to determine that the permit conditions are adequate to ensure compliance with, and the enforceability of. District rules and regulations applicable to the source.

[Note: The three year reevaluation cycle is consistent with Rule 210.]

DH. Requirement - Notification to Building Officials - etc.

The Control Officer shall notify the building department or division of every governmental agency within the district boundaries that every applicant for a building, alteration or other permit which involves any article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants, or the use of which may eliminate, reduce or control the issuance of air contaminants will be required under these rules to obtain an "Authority to Construct" before commencing construction, and will further be required thereafter to conform to these rules in such operation. The Control Officer shall further request that each such building department or division not issue a building, alteration, moving or other permit unless and until notified, in writing, by the Control Officer that the applicant of an agent or representative thereof has been given a current, updated copy of these rules, been informed of the standards to be met, been informed of the necessity for an Authority to Construct under these rules, signed a receipt for a copy of these rules, and signed a statement that he understands the standards to be met and that he must obtain an Authority to Construct before commencing operations.

The Control Officer shall notify the building department or division of every governmental agency, excluding federal agencies, within the District boundaries, on an annual basis, that the owner or authorized agent of development projects which do not require a development permit other than a building permit, will need to comply with the requirements for a permit for construction or modification from the District. In addition, to assist the County and each city to comply with Government Code Section 65850.2, the Control Officer will provide the building officials with relevant Authority to Construct permit information to be distributed to building permit applicants.

[Note: Reworded for clarity.]

EI. Requirement - Posting of Authority to Construct or Permit to Operate

A person who has been granted under this Rulean Authority to Construct or a Permit to Operate for any article, machine, equipment, or other contrivance described in Section D. or E. of this rule Rule 201.B shall firmly affix such maintain the Authority to Construct or Permit to Operate, or an approved facsimile, or other approved identification bearing the permit number upon the article, machine, equipment, or other contrivance in such a manner as to be clearly visible and accessible. In the event that the article, machine, equipment, or other contrivance is so constructed or operated that the Permit to Operate cannot be so placed, the Permit to Operate shall be mounted so as to be clearly visible in an accessible place within 25 feet of the article, machine, equipment, or other contrivance, or maintained readily available to the District and operating personnel at all times on the operating or construction premises, or at a location disclosed to the Control Officer, and shall provide it upon request to the Control Officer or to the Control Officer's representative

[Note: The requirement was changed at industry request, since it is not always feasible to mount or display a permit.]

FI. Requirement Changing the Face of a Permit to Operate or Authority to Construct

2. No person shall deface, alter, forge, counterfeit, or falsify a permit, or facsimile thereofor identification to operate any article, machine, equipment or other contrivance issued or maintained mounted or displayed pursuant to the provisions of this Rule 201.

[Note: Wording changed for clarity.]

J. Requirements - Absence of Permitted Equipment

Items of equipment, other than portable internal combustion engines which are eligible for registration pursuant to Health & Safety Code 41750 et seq, for which a Permit to Operate is granted, shall be at all times present within the boundaries of the stationary source unless the operator shows to the satisfaction of the District that the absence of the equipment is due to its being rebuilt or otherwise reworked offsite, or in temporary storage onsite. Failure to make this showing at the time of permit reevaluation and failure to obtain a permit modification listing the absent equipment shall result in removal of the absent equipment from the Permit to Operate upon the next reevaluation of the permit.

[Note: 40 CFR 52.21.v.4 prohibits "sham" permits. Now that the District is proposing a emission registration credit rule, emissions reductions can be protected by the ERC system and there is no need to artificially extend the life of a permit. Permits for absent or inoperable equipment creates an emission inventory that is higher than actually the case and burdens new development.]

K. Requirement - Inoperability of Permitted Equipment

A permitted item of equipment found in inoperable condition must be demonstrated by the operator, to the satisfaction of the Control Officer, either to function in compliance with applicable permit conditions or to have no pollutant emissions. This section shall not apply to well heads.

[Note: 40 CFR 52.21.v.4 prohibits "sham" permits. "...implicit in permit limitations is the understanding that they comport with a design intended to operate"]

RULE 202. EXEMPTIONS TO RULE 201. (Adopted 10/18/1971, revised 5/1/1972 and 6/27/1977, readopted 10/23/1978, revised 12/7/1987, 1/11/1988, 1/17/1989, 7/10/1990 7/30/1991, 11/05/1991, 3/10/1992, 5/10/94, and 6/28/1994 and 4/17/97).

A. Applicability

An Authority to Construct or Permit to Operate shall not be required for equipment, operations and activities described herein.

[Note: Reformatted for clarity.]

B. Exceptions

Notwithstanding any exemption created by this Rule, any equipment, activity or operations proposed by an applicant for use as an Emission Reduction Credit is not exempt.

[Note: Required for New Source Review.]

C. Definitions

See Rule 102 for definitions.

[Note: Section added for consistency with other rules.]

AD. General Provisions

1. The owner or operator shall maintain records which clearly demonstrate that the exemption threshold has not been exceeded. These records shall be made available to the District upon request and shall be maintained for a minimum of three calendar years. Failure to maintain records which meet the above requirements or exceedance of the emission exemption threshold or violation of any District rule may result in the immediate loss of the permit exemption. By accepting the terms of the exemption the owner or operator agrees to allow District personnel access to any records or facilities for inspection per Sections 42303 and 41510 of the California Health and Safety Code and Section 114 of the Clean Air Act.

[NOTE: This language is not new, but formerly located in the last paragraph of Section D.5. The addition of reference to H&SC Section 41510 provides consistency with state law and protects the source's right to require an inspection warrant.]

2. For the purposes of demonstrating that the emissions exempted do not exceed the aggregate exemption limit specified in Sections G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, or V of this Rule the owner or operator may base the demonstration on actual emissions provided the owner or operator keeps material use records in a manner approved by the Control Officer. Otherwise the owner or operator must maintain records that demonstrate that the potential to emit of the equipment will not exceed the applicable aggregate exemption emission limit.

[Note: This provision was added to clarify that an owner or operator may use actual emissions to show compliance with the aggregate exemption limits provided the owner or operator keeps usage records.]

4 3. A permit shall not be required for equipment, operations, or activities described in Section 42310 of the California Health and Safety Code. However, the exemption for vehicles shall not be applicable to any article, machine, equipment or other contrivance mounted on such vehicles that would otherwise require a permit under the provisions of these Rules and Regulations.

24. Trains and aircraft used to transport passengers or freight are exempt from permit requirements.

5. Temporary Equipment

A permit shall not be required for temporary equipment where the projected actual aggregate emissions of all affected pollutants do not exceed 1 ton (except carbon monoxide, which shall not exceed 5 tons) and the use of each individual piece of equipment does not exceed one 60 day period in any consecutive 12 month period. Such equipment shall also meet one of the following requirements:

- a. the temporary equipment is not part of an existing operating process of a stationary source; or
- b. the temporary equipment replaces equipment that has qualified for a breakdown pursuant to Rule 505.

To qualify for this exemption, the owner or operator shall submit a written request to the Control Officer. This request shall identify the temporary equipment, its location, any equipment being replaced, and shall include the emission calculations and assumptions that demonstrate that the equipment meets the exemption criteria. The temporary project may commence as soon as the request has been made, however, project commencement with equipment that is later found ineligible for the exemption shall constitute a violation of the District's Rules and Regulations. This exemption shall not apply to equipment used to control emissions of Hazardous Air Pollutants. The operator shall pay any applicable fee pursuant to Rule 210.

[Note: Provision added to provide relief from permit requirements for small temporary projects.]

36. De minimis Exemption

Any physical change in an existing stationary source that meets each of the requirements below is exempt. Emission increases shall be based on the uncontrolled potential to emit, less emission reductions achieved through Rule 331, and shall not be reduced (netted out) by emission reductions achieved through the removal or control of any component.

- a. The emission increase for any one emission unit shall not exceed 2,40 pounds per day of any affected pollutant, except carbon monoxide, which shall not exceed 19,20 pounds per day.
- b. The aggregate emissions increase at the stationary source due to all de minimis physical changes at the stationary source since November 15, 1990, shall not exceed 24.00 pounds per day, except carbon monoxide, which shall not exceed 60.00 pounds per day. Any increase shall be reduced to the extent it is included in the source's net emission increase pursuant to District Rules and Regulations.
- c. The physical change does not require a change to any article, machine, equipment or contrivance used to eliminate or reduce or control the issuance of air contaminants.
- d. The article, machine, equipment or contrivance is not subject to an Air Toxic Control Measure adopted by the Air Resource Board.

e. The article, machine, equipment or contrivance is not subject to New Source
Performance Standards or National Emission Standards for Hazardous Air Pollutants
promulgated by the Environmental Protection Agency; or Hazardous Air Pollutant
requirements under Section 112 of the Clean Air Act.

The owner or operator shall maintain a record of each *de minimis* change, which shall include emission calculations demonstrating that each physical change meets the criteria listed in (a) and (b), above. Such records shall be made available to the District upon request.

Any modification of an existing stationary source which has the potential to change emissions by 0.10 pounds per hour or less of any pollutant, except carbon monoxide in which case the change is 0.80 pounds per hour, and the cumulative emission change since January 11, 1988, does not exceed 1.00 pounds per hour (8.00 pounds per hour for carbon monoxide) is exempt.

A permit holder shall maintain a record, available to the District upon request, of all modifications of the stationary source resulting in emission changes and shall notify the District when the above stated emission levels will be exceeded. This exemption shall not be applicable to any article, machine, equipment or other contrivance required by District Rules and Regulations to eliminate or reduce or control the issuance of air contaminants.

[Note: Emission limits have been expressed in terms of daily, rather than hourly limits for consistency with thresholds in Reg VIII. Documentation of exemption is needed for enforceability.]

47. Stationary Source Permit Exemption

A permit shall not be required for any new, modified or existing stationary source if the uncontrolled <u>actual</u> emissions of each individual <u>affected</u> regulated pollutant from the entire stationary source is are below 1.00 ton per calendar year, unless:

[Note: The term "regulated pollutant" has been replaced with "affected pollutant" throughout the rule. Actual emissions are distinguished from potential to emit wherever necessary.]

- a. the source is subject to EPA promulgated New Source Performance Standards (NSPS) or National Emission Standards for Hazardous Air Pollutants (NESHAP), or the federal operating permit program (40 CFR Part 70), or Hazardous Air Pollutant requirements of Section 112 of the federal Clean Air Act (CAA); or
- b. the source is subject to a California Air Resources Board Air Toxics Control Measure; or
- the source is subject to Public Notification or Risk Reduction under the requirements of California Health and Safety Code Section 44300 et seq; or
- d. the APCO Control Officer makes a determination that a permit is necessary to ensure that emissions remain below one ton per year; or

[Note: The acronym APCO has been replaced with "Control Officer" for clarity throughout the rule.]

e. the source is a new or modified source which emits hazardous air emissions and is located within 1,000 feet from the outer boundary of a school site (Health & Safety Code Section 42301.6, et. seq.).

The owner/ or operator shall maintain records which clearly demonstrate that the exemption threshold has not been exceeded. These records shall be made available to the District upon request and shall be maintained for a minimum of three calendar years. Failure to maintain records which meet the above requirements or exceedance of the emission exemption threshold or violation of any District rule may result in the immediate loss of the permit exemption. By accepting the terms of the exemption the owner/ or operator agrees to allow District personnel access to any records or facilities for inspection per Section 42303 of the California Health and Safety Code and Section 114 of the Clean Air Act. Each owner/ or operator who desires this exemption shall submit an exemption request form and obtain written concurrence from the District. A fee shall be assessed as specified in Rule 210 (Schedule F).

[Note: The struck portion of the above paragraph was moved and is now the lead paragraph of Section D. Clarification that the owner is not always the operator.]

48. A permit shall not be required for routine repair or maintenance of permitted equipment, not involving structural changes, however after December 7, 1987, anticipated emissions from maintenance shall be recorded on the Permit to Operate for informational purposes. For new and modified stationary sources, the emissions shall be recorded when the Authority to Construct and the PTO are issued. For existing stationary sources, the emissions may be recorded as part of the permit when a PTO is reissued. As used in this paragraph, maintenance does not include operation.

[Note: Language from H&SC 42310(f), with "routine" added per comment from EPA.]

A permit shall not be required for equivalent routine identical replacement in whole or in part of any article, machine, equipment or other contrivance where a Permit to Operate had previously been granted under Rule 201, providing emissions are not increased and there is no potential for violating any ambient air quality standard. An equivalent piece of equipment has a Potential to Emit, operating design capacity or actual demonstrated capacity less than or equal to that of the original piece of equipment, and is subject to the same limitations and permit conditions as the equipment being replaced. The owner or operator shall notify the District within 30 days of an equivalent routine replacement, unless the replacement equipment is identical as to make and model, and routine in which case notification is not required. This provision shall not grant any exemption from New Source Performance Standards (NSPS).

[Note: Originally proposed for deletion based on EPA comments of 3/23/94, p.2. Text was restored and modified based on further EPA input transmitted 10/2/96.]

- 610. Notwithstanding any exemption defined in this Rule 202, no new or modified stationary source that has the potential to emits the following air contaminants in excess of the amounts specified shall be exempt from permit requirements:
 - a. 3.28 pounds per day of lead
 - b. 0.04 pounds per day of asbestos
 - c. 0.0022 pounds per day of beryllium
 - d. 0.55 pounds per day of mercury
 - e. 5.48 pounds per day of vinyl chloride
 - f. 16.44 pounds per day of fluorides
 - g. 38.45 pounds per day of sulfuric acid mist, or
 - h. 54.79 pounds per day of total reduced sulfur or reduced sulfur compounds.
 - i. 0.0000035 tons per year municipal waste combustor organics.
 - i. 15 tons per year municipal waste combustor metals.

k. 40 tons per year municipal waste combustor acid gases.

[Note: The list of pollutants has been updated to include municipal waste requirements from EPA.]

- 711. Where an exemption is described in this Rule for a general category of equipment, the exemption shall not apply to any component which otherwise would require a permit under the provisions of these Rules and Regulations.
- 8. Emissions from equipment which was exempt when installed, and remains at the stationary source where installed on the date of rule adoption, shall not be included in the stationary source net emissions increase as defined by Rule 205 C.1.a.23). This section shall apply to Outer Continental Shelf sources for which the District is the corresponding onshore area.

[Note: Language no longer necessary. OCS sources are all under permit.]

- 12. Emission control equipment, directly attached to equipment which is exempt from permit by provisions of this Rule, is exempt.
- 13. A change in location of an emission unit within the boundaries of a stationary source shall not require a permit modification unless the location of the equipment is prescribed in the source's permit and a specific location was assumed in an Air Quality Impact Analysis or a Health Risk Assessment that formed the basis of the issuance of the permit.
- 14. Application of architectural coating in the repair and maintenance of a stationary structure is exempt from permit requirements. [I.64 of March, 1996 draft]

EB. Compliance with Rule Changes

The provisions of this section shall apply when an exemption for existing equipment is removed by revision of this Rule 202. The equipment owner shall file a complete application for a permit required by the exemption change within ninety (90) days after adoption of the revised rule; or for sources on the Outer Continental Shelf, within 90 days after the date the revision to this Rule is added to the Outer Continental Shelf Air Regulations (40 CFR Part 55). If no application is filed within the ninety (90) day period, the application filing fee prescribed in Rule 210 shall be doubled and the equipment owner shall be subject to a Notice of Violation and to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

If an application is filed within the ninety (90) day filing period after adoption of the revised rule but the application is deemed incomplete by the District, the applicant shall be notified by the District that a complete application must be filed within thirty (30) days of the notification. If a complete application is not received within thirty (30) days after the notification, the prescribed filing fee shall be doubled and the owner of the equipment shall be subject to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

FC. Piston Type Internal Combustion Engines

[Note: The section now applies to internal combustion engines other than piston type.]

- 12. A permit shall not be required for piston type IC internal combustion engines if any of the following conditions is satisfied:
 - -a. Engines in equipment used in agricultural operations in the growing of crops or the raising of fowl or animals;

[Note: Duplicates D.3.]

- ab. Engines used in aircraft and in locomotives;
- be. Engines used to propel marine vessels, except earge vessels associated with a stationary source which shall be regulated as specified under the provisions of Regulation VIII Rule 205.C.

[Note: Clarifies that vessel emissions associated with a source are accounted for in the potential to emit. Provides consistency for onshore and OCS rules.]

- **cd.** Engines used to propel vehicles, as defined in Section 670 of the California Vehicle Code, but not including any engine mounted on such vehicles that would otherwise require a permit under the provisions of these Rules and Regulations.
- de. Piston-type internal combustion eEngines used exclusively for emergency electrical power generation or emergency pumping of water for flood control or firefighting if the engine operates no more than 200 hours per calendar year, and where a record is maintained and is available to the District upon request; the record shall list the identification number of the equipment, the number of operating hours on each day the engine is operated and the cumulative total hours.
- ef. Piston-type internal combustion eEngines with a manufacturer's maximum rating of 100 brake horsepower (bhp) or less or gas turbine engines with a maximum heat input rate of 3 million British thermal units per hour or less at standard conditions, except if the total horsepower of individual piston-type internal combustion engines less than 100 bhp but greater than 20 bhp at a stationary source, as defined in Rule 205.C. Rule 102, exceeds 500 bhp in which case the individual engines are not exempt. Internal combustion engines exempt under other provisions of Section F. do not count toward the 500 bhp aggregate limit.

[Note: Language added to exempt certain turbines, consistent with CAPCOA guidelines.]

2. Portable internal combustion engines eligible for statewide registration pursuant to Title 13.

Section 2450 et seq. California Code of Regulations, are exempt until 180 days after the effective date of the Air Resources Board regulation providing for the voluntary registration of portable internal combustion engines.

If the owner of an eligible portable internal combustion engine elects not to register under the statewide registration program, the unregistered engine shall be subject to District permitting requirements pursuant to District Rules and Regulations.

Notwithstanding the above exemption, permitted portable equipment eligible for the statewide registration program shall remain under permit until registered.

[Note: The requirements of AB 531 (H&SC 41750 et seq) will replace the previously proposed portable equipment registration rule at the district level. The language above will continue the exemption, superseded below, for drill rigs, work-over rigs and other affected portable engines until such time as the statewide regulation is adopted.]

g. Engines on work over rigs when used for the repair, work over, maintenance or abandonment of wells:

- h. Drilling rig engines with a total of 300 bhp or less at manufacturer's maximum rating.

 If the engines on a drilling rig exceed 300 bhp the following provisions shall apply:
 - A drilling rig which remains at the stationary source where the rig is located on the date of rule adoption is exempt from New Source Review, however a PTO shall be obtained within the compliance period specified in Section 202.B.
 - 2) After the date of rule adoption, drilling rigs which move to a stationary source subject to the control of the District are exempt if emissions of oxides of nitrogen (NOx) from all drilling rig engines at the stationary source do not exceed 25 tons in any consecutive four (4) calendar quarters. If the projected emissions exceed 25 tons, an authority to construct (ATC) and a permit to Operate (PTO) shall be required under the provisions of Rule 205.C. except that for onshore drilling activities, ambient air quality monitoring shall not be required as a result of drilling emissions.
 - After the date of rule adoption, a completed drilling exemption form shall be submitted to the District at least twenty (20) days before a drilling rig moves to a stationary source for the purpose of conducting drilling activities. The exemption form shall include name and address of the company proposing the drilling activities, the name and location of the stationary source, the planned number of wells, the well identification numbers, the estimated depth and fuel use for each well and the approximate drilling schedule. A copy of the completed exemption form, or a valid PTO, shall be available for inspection at the drilling location. If planned drilling activities are changed such that the estimated fuel use exceeds initial estimates submitted to the District, a revised exemption form shall be submitted to the District and a copy shall be kept at the drilling location.

A log book of fuel use shall accompany all drilling rigs and be available for inspection by the District. The following entries shall be made for each welliname and identification number, location, start and end dates of drilling, and daily fuel use as determined by dipstick measurement and fuel deliveries or other means approved by the District. Within sixty (60) days after termination of drilling a well, a copy of the fuel log book records, or summary thereof, showing the total amount of fuel used shall be certified by the drilling contractor and submitted to the District.

- 3. A permit shall not be required for engines used in construction activities. However, if the combined emissions from all construction equipment used to construct a stationary source which requires an Authority to Construct have the potential to exceed 25 tons of any pollutant, except carbon monoxide, in a 12 month period, the owner of the stationary source shall provide offsets as required under the provisions of Rule 205.C.3.a.4), 205.C.3.b.2) or 205.C.3.b.3) Rule 804 and shall demonstrate that no ambient air quality standard would be violated.
- 4. A permit shall not be required for engines used for aircraft shows or to power amusement rides at seasonal or special occasion shows, fairs, expositions, circuses or carnival events, provided that the duration of such event is less than 18 days in any calendar year.

[Note: "Aircraft shows" was added to clarify that this exemption applies to air shows.]

- 5. A permit shall not be required for engines less than 50 bhp used:
 - a. for military tactical support operations including maintenance and training for such operations;
 - b. to power temperature and humidity control systems on cargo trailers used to transport satellites and space launch equipment:
 - c. exclusively for space launch facility support and which power hoists, jacks, pulleys, and other cargo handling equipment permanently affixed to motor vehicles or trailers pulled by motor vehicles.
- 6. A permit shall not be required for drilling equipment used in state waters or in the outer continental shelf provided the emissions from such equipment are less than 25 tons per stationary source of any affected pollutant during any consecutive 12 month period.

[Note: Drilling equipment includes drill rig, workover rig, and exploratory rig engines. Temporary engines that are ancillary to the drilling and workover operation, such as wireline unit engines, nitrogen skid unit engines, pump skid engines, are considered drilling equipment. Emissions from platform engines such as crane engines and well-kill pump engines are not considered as drilling equipment for the purposes of this exemption. The Air Resources Board has indicated it plans to revisit the applicability of the state's portable equipment registration program to offshore sources. Staff expect that the ARB regulation may preempt some or all of the proposed provision when ARB's regulation takes effect offshore.]

47. An internal combustion (IC) engine which powers an item of equipment identified as exempt in any other part of this Rule 202 is not exempt unless the engine qualifies for an exemption pursuant to this rule meets one of the conditions specified below in paragraphs 2 or 3.

GD. Combustion Equipment (Other than Internal Combustion Engines)

Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 25 tons per calendar year of any affected pollutant is not exempt.

- 2.1. Steam generators, steam superheaters, water boilers, water heaters, and indirect fired process heaters Combustion equipment with a maximum heat input of less than 5 million Btu per hour and heat sources for ovens, kilns, crucibles and direct fired process heaters with a maximum heat input rate no greater than 10 million British thermal units (Btu) per hour are is exempt from permit requirements if fired exclusively with one of the following:
 - a. Natural or produced gas which meets the standards General Order 58-A of the Public Utility Commission for gas supplied by companies regulated by the Public Utility Commission.
 - b. Liquefied petroleum gas, which meets Gas Processors Association Standards.
 - c. A combination of natural or produced and liquefied petroleum gas, meeting the requirements of subdivisions (a) and (b) above.

[Note: Clarifies that General Order 58-A is the specific industry standard.]

Combustion equipment with a maximum heat input rate of 1 million British thermal units per hour or less is exempt and does not count towards the 25 tons per calendar year stationary source exemption threshold listed above in this paragraph provided the equipment is fired exclusively with a, b, or c listed above in this paragraph.

[Note: The 1 MMBtu per hour exemption was added to exempt devices such as residential water and space heaters entirely from needing a permit.]

- 4.2. Combustion equipment (other than internal combustion engines) which provides heat energy to any item of equipment identified as exempt in any other part of this Rule 202, is not exempt unless the combustion equipment meets one of the conditions specified below in paragraph D.2 fired exclusively with one of the fuels listed in G.1.a., G.1.b., or G.1.c.
- Combustion equipment (other than internal combustion engines) identified as exempt in any
 other section of this rule does not count toward the 25 ton per year aggregate emission limit.

H. Abrasive Blast Equipment

[Note: The following sections, H through V, have been reorganized and contain exemptions grouped together into similar categories. Each exemption is followed by a bracketed note indicating its location in the March, 1996, draft or whether it is new.]

The following listed abrasive blast equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Abrasive blast cabinet-dust filter integral combination units where the total internal volume of the blast section is 50 cubic feet or less. [I.33]
- 2. Blast cleaning equipment using a suspension of abrasive in water. [I.41]
- 3. All portable abrasive blast equipment, excluding any internal combustion engine associated with such equipment which must comply with the requirements of Section F, of this rule, [I.73]

I. Coatings Applications Equipment and Operations

The following listed coating applications equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Dipping operations for coating objects with oils, waxes or greases where no organic solvents, diluents or thinners are used. [H.1]
- 2. Dipping operations for applying coatings of natural or synthetic resins which contain no organic solvents. [H.2]
- Equipment used in surface coating operations provided that the total amount of coatings and solvents used does not exceed 40 55 gallons per year. However, such sources must need not obtain permits for air pollution control equipment (i.e., spray booths, carbon adbsorbers, incinerators, thermal oxidizers, dust collectors, etc..) unless control equipment is required by District prohibitory rules. For equipment owned or operated by a stationary source owner or operator and used as part of the stationary source operations, the 40 55 gallon per year

exemption shall be based on the total coatings and solvents usage of all such equipment at the stationary source.

[Note: Clarified to prevent conflict with prohibitory rules which require control equipment.]

To qualify for this exemption, the owner or operator shall maintain records of the amount of coating and/or solvents used for each calendar year. These records shall be kept for a minimum of 3 years and be made available to the District on request. [H.14]

- 4. Air brushing operations. [I.66]
- 5. Polyurethane powder coating operations. [J.12]

J. Drycleaning and Fabric Related Equipment and Operations

The following listed drycleaning and fabric related equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Equipment used exclusively for the dyeing or stripping (bleaching) of textiles where no organic solvents, diluents or thinners are used. [I.24]
- 2. Lint traps used exclusively in conjunction with dry cleaning tumblers. [I.27]
- Laundry dryers, extractors or tumblers used for fabrics cleaned only with water solutions of bleach or detergents. [I.53]

K. Food Processing and Preparation Equipment

The following listed food processing and preparation equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Equipment used in eating establishments for the purpose of preparing food for human consumption. [I.28]
- 2. Smokehouses in which the maximum horizontal inside cross-sectional area does not exceed 20 square feet. [I.39]
- 3. Ovens, mixers and blenders used in bakeries where the products are edible and intended for human consumption. [I.42]
- 4. Confection cookers where the products are edible and intended for human consumption. [I.45]
- 5. Equipment used exclusively to grind, blend or package tea, cocoa, spices or roasted coffee. [I.60]
- 6. Barbecue Equipment. [I.72]

L. General Utility Equipment and Operations

The following listed general utility equipment and operations is exempt from permit requirements.

Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Heat exchangers. [I.1]
- 2. Comfort air conditioning or comfort ventilating systems which are not designed to remove air contaminants generated by or released from specific units or equipment. [I.14]
- 3. Refrigeration units except those used as, or in conjunction with, air pollution control equipment.
 [I.15]
- 4. Water cooling towers and water cooling ponds not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers. [I.16]
- 5. Equipment used exclusively for steam cleaning. [I.17]
- Equipment used exclusively for space heating. [I.20]
- 7. Compressors of, and holding tanks for, dry natural gas. [I.29]
- 8. Natural draft hoods, natural draft stacks or natural draft ventilators where natural draft means the flow of gases is not augmented by mechanical means. [I.62]
- Vacuum cleaning systems used exclusively for industrial, commercial or residential housekeeping purposes. [I.63]
- 10. Rail cleaning operations. [I.65]
- 11. Aerobic wastewater treatment equipment, including primary/secondary settling, trickling filter, and sludge drying beds. [I.67]
- 12. Ozone generators used for water treatment, provided that the ozone is not released to the atmosphere. [J.5]
- 13. Water well, water filtration systems, reverse osmosis units. [J.11]
- 14. Fuel Cells, and any associated fuel input conditioning exclusively servicing such fuel cell, in which electro-chemically reactive materials are supplied to a cell and consumed to produce electricity. [G.4]
- 15. Notwithstanding G.2 of this rule, portable steam cleaning/pressure washing equipment with maximum heat input rating less than 1 million Btu/hr fired exclusively on diesel fuel.

[Note: Exemption added to distinguish from diesel and other fuel-fired units and to distinguish from L.5]

M. Glass, Ceramic, Metallurgical Processing and Fabrication Equipment and Operations

The following glass, ceramic, metallurgical processing and fabrication equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Porcelain enameling furnaces, porcelain enameling drying ovens, vitreous enameling furnaces or vitreous enameling ovens. [I.2]
- 2. Crucible type or pot type furnaces, except those specified in M.8, with a brimful capacity of less than 450 463 cubic inches of any molten metal. [I.4]

[Note: Clarification requested by VAFB.]

- 3. Kilns used for firing ceramic ware. [I.7]
- 4. Equipment used exclusively for forging, pressing, rolling or drawing of metals or for heating metals immediately prior to forging, pressing, rolling or drawing. [1.8]
- 5. Equipment used exclusively for the sintering of glass or metals. [I.9]
- 6. Equipment used for washing or drying products fabricated from metal or glass, provided that no volatile organic materials are used in the process and that no oil or solid fuel is burned. [I.10]
- Equipment used exclusively for heat treating glass or metals, or used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing, or diffusion treating of metal objects. [I.12]
- 8. Crucible furnaces, pot furnaces or induction furnaces, with a capacity of 1000 pounds or less each, in which no sweating or distilling is conducted and from which only the following metals are poured or in which only the following metals are held in a molten state: [I.13]
- 2. Tumblers used for the cleaning or deburring of metal products without abrasive blasting. [I.30]
- 10. Shell core and shell-mold manufacturing machines. [I.31]
- 11. Molds used for the casting of metals. [I.32]
- 12. Equipment used for inspection of metal products. [I.44]
- 13. Die casting machines. [I.46]
- 14. Atmosphere generators used in connection with metal heat treating processes. [I.47]
- 15. Brazing, soldering or welding equipment. [I.49]
- 16. Foundry sand mold forming equipment to which no heat is applied. [I.54]
- 17. Equipment using aqueous solutions for the surface preparation, cleaning, stripping or etching (does not include chemical milling) of the following base metals: brass, bronze, copper, iron, lead, nickel, tin, zinc or precious metals provided that volatile organic materials used in the aqueous solutions do not exceed one percent by volume. [I.52]

N. Laboratory Equipment and Operations

The following laboratory equipment and operations is exempt from permit requirements.

Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Laboratory equipment used exclusively for chemical or physical analyses and bench scale laboratory equipment. [I.43]
- 2. Vacuum producing devices used in laboratory operations. [I.61]

O. Material Working and Handling Equipment and Operations

The following material working and handling equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Presses used exclusively for extruding metals, minerals, plastics or wood. [I.18]
- 2. Equipment used exclusively to mill or grind coating and molding compounds where all materials charged are in a paste form. [I.25]
- Equipment used for buffing (except automatic or semi-automatic tire buffers) or polishing, carving, cutting, drilling, machining, routing, sanding, sawing, surface grinding, or turning of ceramic artwork, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, carbon or graphite. [I.50]
- 4. Equipment used for carving, cutting, drilling, surface grinding, planing, routing, sanding, sawing, shredding or turning of wood, or the pressing or storing of sawdust, wood chips or wood shavings. [I.51]

P. Miscellaneous Equipment and Operations

The following miscellaneous equipment and operations is exempt from permit requirements.

Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Transporting materials on streets and highways. [H.15]
- 2. Equipment used exclusively for the melting or applying of wax where no organic solvents, diluents or thinners are used. [I.5]
- 3. Equipment used for hydraulic or hydrostatic testing. [I.21]
- 4. Equipment used exclusively for binding lining to brake shoes. [I.26]
- 5. Equipment used exclusively for the manufacture of water emulsions of asphalt, greases, oils or waxes. [36]

- 6. Equipment used exclusively for the mixing and blending of materials at ambient temperature to make water based adhesives. [I.38]
- 7. Equipment used to liquefy or separate oxygen, nitrogen or the rare gases from the air. [1.55]
- 8. Paving activities except scarification, "cutback" asphalt or batch plant operations at paving sites.
 [I.69]
- 9. Equipment used for bioremediation of diesel and crude oil contaminated soil. [I.70]
- 10. Safety flares used for emergencies or for search and rescue operations. [I.71]
- 11. Fire training facilities necessary for the instruction of public or industrial employees in the methods of fire fighting. [I.74]
- 12. Flares used to combust gaseous hydrogen during rocket fueling operations, [New]
- 13. Explosive ordnance detonation. [New]

O. Mixing, Blending and Packaging Equipment and Operations

The following mixing, blending, and packaging equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Batch mixers of 5 cubic feet rated working capacity or less. [I.34]
- 2. Equipment used exclusively for the packaging of lubricants or greases. [I.35]
- 3. Equipment used exclusively to package pharmaceuticals and cosmetics or to coat pharmaceutical tablets. [I.58]

R. Plastics, Composite and Rubber Processing Equipment and Operations

The following plastics, composite and rubber processing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Ovens used exclusively for the curing of plastics which are concurrently being vacuum held to mold or for the softening or annealing of plastics. [I.3]
- 2. Ovens used exclusively for the curing of vinyl plastisols by the closed mold curing process. [I.6]
- 3. Ovens used exclusively for curing potting materials or casting made with epoxy resins. [I.11]
- 4. Presses used for the curing of rubber products and plastic products. [I.19]
- 5. Equipment used exclusively for conveying and storing plastic pellets. [I.37]
- 6. Equipment used for compression molding and injection molding of plastics. [I.56]

- 7. Mixers for rubber or plastics where no material in powder form is added and no organic diluents or thinners are emitted. [I.57]
- 8. Roll mills or calendars for rubber or plastics where no organic diluents or thinners are emitted.
 [1.59]

S. Printing and Reproduction Equipment and Operations

The following printing and reproduction equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. All sheet-fed printing presses, and all other printing presses without dryers iers, excluding rotogravure and flexographic printing presses. [I.22]
- 2. Platen presses used for laminating. [I.40]
- Photographic process equipment by which an image is reproduced upon material sensitized to radiant energy. [I.48]
- 4. Stenciling and dyeing operations. [I.68]

T. Semiconductor and Electronics Manufacturing Equipment and Operations

The following semiconductor and electronics manufacturing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of one ton per calendar year of any affected pollutant is not exempt.

- 1. Vacuum deposition [J.1]
- 2. Ion implantation [J.2]
- 3. Sputtering [J.3]
- 4. Ozone/plasma/ion etching or ashing [J.4]
- 5. Vacuum bake systems. [J.6]
- 6. Furnaces used for crystal growth, liquid phase epitaxial, compounding and/or refining, and carbon coating. [J.7]
- 7. Automated epoxy adhesive, potting compound, conformal coating dispensing machines and associated equipment used for mixing, injection and curing, [J.8]
- 8. Qvens used exclusively for curing epoxies and adhesives. Ovens used exclusively for curing permitted paint application processes. [J.9]
- 9. Ovens for drying parts cleaned with water. [J.10]

U. Solvent Application Equipment and Operations

The following solvent application equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Unheated solvent dispensing containers, unheated non-conveyorized solvent rinsing containers or unheated non-conveyorized coating dip tanks of 100 gallons or less capacity; this exemption shall not apply to degreasing equipment regulated under the provisions of Rule 321. [H.12]
- Single pieces of degreasing equipment, which use unheated solvent, and which:
 - a. have a liquid surface area of less than 929 square centimeters (1.0 square foot), unless the aggregate liquid surface area of all degreasers at a stationary source, as defined in Rule 205.C, covered by this exemption is greater than 0.9293 square meters (10 square feet), or
 - b. use only organic solvents with an initial boiling point of 150 degrees Celsius (302 degrees Fahrenheit) or greater as determined by ASTM D-1078-86, or
 - c. use materials with a volatile organic compound content of two percent or less by weight as determined by EPA Method 24.

[Note: Reference to definition in Rule 205 no longer applies. The additional language should exempt most mechanic shops and solvents used on engine parts, based on South Coast Air Quality Management District Rule 219.] [H.13]

- d. materials exempt pursuant to subsections b, and c, above do not contribute to the 0.929 square meter (10 square feet) limitation in subsection a, [New]
- 3. Equipment used in wipe cleaning operations provided that the solvents used do not exceed 55 gallons per year. To qualify for this exemption, the owner or operator shall maintain records of the amount of solvents used for each calendar year. These records shall be kept for a minimum of 3 years and be made available to the District on request. [H.16] Solvents meeting the criteria of 2.b. or c. above do not contribute to the 55 gallon per year limitation. [New]

V. Storage and Transfer Equipment and Operations

The following storage and transfer equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt. Containers, reservoirs, tanks, sumps or ponds with a capacity of 55 gallons or less are exempt and do not count towards the 10 ton per year aggregation threshold.

- 1. Unheated storage of liquid organic materials, except refined fuel oils, with an initial boiling point of 300°F or greater at one atmosphere pressure. [H.3]
- 2. Storage of refined fuel oils with a gravity of 25 40°API or lower as determined by ASTM D-4057. [H.4 and H.5 combined]

The storage of 10,000 gallons or less of refined fuel oil with a gravity greater than 25°API but not exceeding 40°API. [H.5]

- 3. Storage of lubricating oils. [H.6]
- 4. Storage of organic liquids except gasoline, normally used as solvents, diluents or thinners, inks, colorants, paints, lacquers, enamels, varnishes, liquid resins or other surface coatings, and having a capacity of 1,500 gallons or less. [H.7]
- 5. Storage of liquid soaps, liquid detergents, vegetable oils, waxes or wax emulsions. [H.8]
- 6. Storage of asphalt. [H.9]
- 7. The storage of gasoline (defined as any petroleum distillate having a Reid vapor pressure of 4.0 pounds per square inch or greater) having a capacity of less than 250 gallons. [H.10]
- Storage of liquefied or compressed gases which do not exceed Gas Processors Association specifications for maximum volatile sulfur content of commercial grade liquefied petroleum gas. [H.11]

[Note: Added at industry request.]

- 2. Tanks, vessels and pumping equipment used exclusively for the storage or dispensing of fresh commercial or purer grades of:
 - a. Sulfuric acid with an acid strength of 99 percent or less by weight.
 - b. Phosphoric acid with an acid strength of 99 percent or less by weight.
 - c. Nitric acid with an acid strength of 70 percent or less by weight. [1.23]
- 10. Closed loop transfer of rocket propellant from a tanker truck, cylindrical tank, or drum, to a satellite, satellite placement system, nutation control system, apogee kick motor, or any other non-booster segment of a space launch vehicle, provided there is no venting of vapors to the atmosphere during the propellant transfer. [New]
- Containers, reservoirs, tanks, sumps or ponds and associated filling and dispensing equipment used exclusively for the purposes listed below are exempt. Notwithstanding the listed exemptions, any article, machine, equipment or other contrivance that emits in excess of 150 pounds per day of any affected pollutant (600 pounds per day for carbon monoxide) is not exempt.
 1. Dipping operations for coating objects with oils, waxes or greases where no organic solvents, diluents or thinners are used.
 2. Dipping operations for applying coatings of natural or synthetic resins which contain no organic solvents.
 3. Unheated storage of liquid organic materials, except refined fuel oils, with an initial boiling point of 300°F or greater at one atmosphere pressure.
- 4. Storage of refined fuel oils with a gravity of 25°API or lower.
- 5. The storage of 10,000 gallons or less of refined fuel oil with a gravity greater than 25° API but not exceeding 40° API.
- 6. Storage of lubricating oils.

	-/.Ste	orage of organic liquids except gasoline, normally used as solvents, diluents or thinners, like,		
		colorants, paints, lacquers, enamels, varnishes, liquid resins or other surface coatings, and		
		having a capacity of 1,500 gallons or less.		
	- 8.Sta	orage of liquid soaps, liquid detergents, vegetable oils, waxes or wax emulsions.		
	9. Sta	orage of asphalt.		
	10.	The storage of gasoline (defined as any petroleum distillate having a Reid-vapor pressure of 4.0		
		pounds per square inch or greater) having a capacity of less than 250 gallons.		
	-11.	Storage of liquefied gases which do not exceed Gas Processors Association specifications for		
		maximum volatile sulfur content of commercial grade liquefied petroleum gas.		
	12.	Unheated solvent dispensing containers, unheated non-conveyorized solvent rinsing containers or		
		unheated non-conveyorized coating dip tanks of 100 gallons or less capacity; this exemption shall		
		not apply to degreasing equipment regulated under the provisions of Rule 321.		
	13.	Single pieces of degreasing equipment, which use unheated solvent, and which have a liquid surface		
		area of less than 929 square centimeters (1.0 square foot), unless the aggregate liquid surface		
		area of all degreasers at a stationary source, as defined in Rule 205.C, covered by this		
		exemption is greater than 0.93 square meters (10 square feet).		
	14.	Equipment used in surface coating operations provided that the total amount of coatings and solvents		
		used does not exceed 40 gallons per year. However, such sources must obtain permits for air		
		pollution control equipment (i.e., spray booths, carbon absorbers, incinerators, thermal oxiders,		
		dust collecters, etc). For equipment owned or operated by a stationary source owner or		
		operator and used as part of the stationary source operations, the 40 gallon per year exemption		
		shall be based on the total coatings and solvents usage of all such equipment at the stationary		
		source.		
	——Тө	qualify for this exemption, the owner or operator shall maintain records of the amount of coating and		
		solvents used for each calendar year. These records shall be kept for a minimum of 3 years and		
		be made available to the District on request.		
	-15.	Transporting materials on streets and highways.		
F.	The-	equipment listed below including any exhaust system or collector which exclusively serves the		
	equipment, is exempt from permit requirements provided that any source of heat used is from electricity			
	or from combustion equipment with a maximum heat input-rate no greater than 10 million British therma			
	units (Btu) per hour fired exclusively with natural gas as specified in Section D.2.a. and/or LPG.			
	Notwithstanding the listed exemptions, any article, machine, equipment or other contrivance that emits i			
	e _X	sess of 150 pounds per day of any affected pollutant (600 pounds per day for carbon monoxide) is not		
	exe	empt.		
	1.He	eat exchangers.		
	2.Pe	rcelain enameling furnaces, porcelain enameling drying ovens, vitreous enameling furnaces or vitreous		
		enameling ovens.		
	_3.0v	vens used exclusively for the curing of plastics which are concurrently being vacuum held to mold or		
		for the softening or annealing of plastics.		

4. Crucible type or pot type furnaces with a brimful capacity of less than 450 cubic inches of any molten metal.	Ł
5. Equipment used exclusively for the melting or applying of wax where no organic solvents, diluents or thinners are used.	:
6. Ovens used exclusively for the curing of vinyl plastisels by the closed mold curing process.	
7. Kilns used for firing ceramic ware.	
8. Equipment used exclusively for forging, pressing, rolling or drawing of metals or for heating metals immediately prior to forging, pressing, rolling or drawing.	
9. Equipment used exclusively for the sintering of glass or metals.	
Equipment used for washing or drying products fabricated from metal or glass, provided that no volatile organic materials are used in the process and that no oil or solid fuel is burned.	
11. Ovens used exclusively for curing potting materials or casting made with epoxy resins.	
12. Equipment used exclusively for heat treating glass or metals, or used exclusively for case hardeni carburizing, cyaniding, nitriding, carbonitriding, siliconizing, or diffusion treating of metal objects.	ng,
13. Crucible furnaces, pot furnaces or induction furnaces, with a capacity of 1000 pounds or less each in which no sweating or distilling is conducted and from which only the following metals are poured or in which only the following metals are held in a molten state:	
a. Aluminum or any alloy containing over 50 percent aluminum.	
b. Magnesium or any alloy containing over 50 percent magnesium.	
- C. Lead or any alloy containing over 50 percent lead.	
d. Tin or any alloy containing over 50 percent tin.	
e. Zinc or any alloy containing over 50 percent zinc.	
f. Copper or any alloy containing over 50 percent copper.	
g. Precious metals.	
————————————————————————————————————	
15. Refrigeration units except those used as, or in conjunction with, air pollution control equipment.	
————————————————————————————————————	
17. Equipment used exclusively for steam cleaning.	
18. Presses used exclusively for extruding metals, minerals, plastics or wood	

19	Presses used for the curing of rubber products and plastic products.
	Forced air furnaces used exclusively for space heating.
21.	- Equipment used for hydraulic or hydrostatic testing.
23	Tanks, vessels and pumping equipment used exclusively for the storage or dispensing of fresh commercial or purer grades of:
2.	Sulfuric acid-with an acid strength of 99-percent or less by weight.
———b.	Phosphoric acid with an acid strength of 99 percent or less by weight.
	Nitric acid with an acid strength of 70 percent or less by weight.
24.	Equipment used exclusively for the dyeing or stripping (bleaching) of textiles where no organic solvents, diluents or thinners are used.
25.	Equipment used exclusively to mill or grind coating and molding compounds where all materials charged are in a paste form.
26	Equipment used exclusively for binding lining to brake shoes.
27.	Lint traps used exclusively in conjunction with dry cleaning tumblers.
28.	Equipment used in eating establishments for the purpose of preparing food for human consumption.
	Compressors of, and holding tanks for, dry natural gas.
30.	Tumblers used for the cleaning or deburring of metal products without abrasive blasting.
31. -	Shell core and shell mold manufacturing machines.
32.	Molds used for the casting of metals.
33.	Abrasive blast cabinet dust filter integral combination units where the total internal volume of the blast section is 50 cubic feet or less.
34.	Batch mixers of 5 cubic feet rated working capacity or less.
35.	Equipment used exclusively for the packaging of lubricants or greases.
36.	Equipment used exclusively for the manufacture of water emulsions of asphalt, greases, oils or waxes.
37	Equipment used exclusively for conveying and storing plastic pellets.
38.	Equipment used exclusively for the mixing and blending of materials at ambient temperature to make water based adhesives.
39.	—Smokehouses in which the maximum horizontal inside cross sectional area does not exceed 20 square feet.
40	Distanting used for laminating

41.	Blast cleaning equipment using a suspension of abrasive in water.
12.	Ovens, mixers and blenders used in bakeries where the products are edible and intended for human consumption.
43,	Laboratory equipment used exclusively for chemical or physical analyses and bench scale laboratory equipment.
	Equipment used for inspection of metal products.
45.	Confection cookers where the products are edible and intended for human consumption.
16	Die casting machines.
47.	- Atmosphere generators used in connection with metal heat treating-processes.
48.	Photographic process equipment by which an image is reproduced upon material sensitized to radiant energy.
19	Brazing, soldering or welding equipment.
50.	Equipment used for buffing (except automatic or semi-automatic tire buffers) or polishing, carving, cutting, drilling, machining, routing, sanding, sawing, surface grinding, or turning of ceramic artwork, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, carbon or graphite.
51.	Equipment used for carving, cutting, drilling, surface grinding, planing, routing, sanding, sawing, shredding or turning of wood, or the pressing or storing of sawdust, wood chips or wood shavings.
52.	Equipment using aqueous solutions for the surface preparation, cleaning, stripping or etching (does not include chemical milling) of the following base metals: brass, bronze, copper, iron, lead, nickel, tin, zinc or precious metals provided that volatile organic materials used in the aqueous solutions do not exceed one percent by volume.
——Еq	uipment using aqueous solutions for the electrolytic plating, electrolytic polishing or the electrolytic stripping of brass, bronze, copper, iron, lead, nickel, tin, zinc, or precious metals provided that volatile materials used in the aqueous solutions do not exceed one percent by volume.
53,	Laundry dryers, extractors or tumblers used for fabrics cleaned only with water solutions of bleach or detergents.
54.	Foundry sand mold forming equipment to which no heat is applied.
55.	Equipment used to liquefy or separate oxygen, nitrogen or the rare gases from the air.
56.	Equipment used for compression molding and injection molding of plastics.
57	Mixers for rubber or plastics where no material in powder form is added and no organic diluents or thinners are emitted.
58.	Equipment used exclusively to package pharmaceuticals and cosmeties or to coat pharmaceutical

- 59. Roll mills or calendars for rubber or plastics where no organic diluents or thinners are emitted.
 60. Equipment used exclusively to grind, blend or package tea, cocoa, spices or reasted coffee.
 61. Vacuum producing devices used in laboratory operations.
 62. Natural draft hoods, natural draft stacks or natural draft ventilators where natural draft means the flow of gases is not augmented by mechanical means.
 - 63. Vacuum cleaning systems used exclusively for industrial, commercial or residential housekeeping purposes.

RULE 203. TRANSFER. (Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised [date of adoption])

A. Applicability

This Rule shall apply to any person transferring operation or ownership of permitted equipment.

[Note: See Rule 202.D.12. for change in location of a piece of permitted equipment within the boundaries of a stationary source..]

B. Exemptions

None.

C. Definitions

See Rule 102 for definitions.

D. Requirements

1. Transfer of Permits

An Authority to Construct or Permit to Operate shall not be transferable, whether by operation of law or otherwise, either from one location to another, or from one piece of equipment to another, or from one person to another except for those items specifically noted on the permit as being portable and/or relocatable.

Any application to transfer a permit from one permit holder to another shall be accompanied by a filing fee as specified in Rule 210. Schedule F. A change in business name only is not a transfer and shall not be assessed a fee.

An application for the transfer of ownership only shall constitute a temporary Permit to Operate if authorized by Health and Safety Code Section 42301(f). The Control Officer shall approve an application for the transfer of a permit if all of the following requirements are met:

- a. the article, machine, equipment, or contrivance subject to the permit is in compliance with all applicable orders, rules, and regulations of the District. Air Resources Board and the Environmental Protection Agency;
- a written agreement or other written proof of transfer of ownership deemed sufficient
 by the Control Officer which specifies the date of ownership transfer has been
 submitted to the District;
- c. the permit has been reviewed by the District to determine that permit conditions are adequate to ensure compliance with, and enforceability of. District rules and regulations applicable to the article, machine or contrivance for which the permit was issued:

[Note: Consistent with H&SC 42301(e).]

d. where D(1)(c) has not been met, the Control Officer shall require that the permit be revised to specify the permit conditions necessary in accordance with all applicable rules and regulations; and

[Note: Consistent with H&SC 42301(e).]

- e. all fees associated with the permit have been paid.
- 2. An application for transfer of a permit shall be filed within 30 days of change of ownership or operator.

[Note: The Rule has been reformatted, however the substance is largely unchanged from previous drafts. Existing requirements with respect to transfer of permits are clarified.]

RULE 204. APPLICATIONS. (Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised 7/1979 and, 8/8/1988 and [date of adoption])

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate.

B. Exemptions

None.

C. Definitions

See Rule 102 for definitions.

D. Requirement - Permit Application Completeness

Every application for an Authority to Construct or Permit to Operate required under Rule 201 shall be filed in the manner and form prescribed by the Control Officer, and shall give all the information necessary to enable him to make the determination required for the issuance of a permit by Rule 205. This information includes, but is not limited to, analyses, plans, or specifications which will disclose the nature, extent, quantity or degree of air contaminants which are, or may be, discharged by the source for which the permit was applied. The Control Officer may, during the processing of the application request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application. The application shall be submitted and all information therein shall be attested to be accurate to the best knowledge of the applicant.

[Note: H&SC 42303.5 makes it illegal to knowingly make false statements in a permit application.]

[NOTE: SECTION E, BELOW, INCLUDES REQUIREMENTS FORMERLY LOCATED IN RULE 201, SECTION C. THE LANGUAGE IS REFORMATTED AND CLARIFIED.]

E. Requirements - Information Required

1. General Information

a. This section outlines information required of applicants seeking permits to construct or modify pollution sources or control devices and specifies time frame for processing required of the District. All information required <u>pursuant to District Rules and Regulations</u>, and specified by the Control Officer on a lists(s) maintained <u>pursuant to Government Code Section 65940</u>, shall be submitted before an application can be considered to be complete.

[Note: Implements provisions of the Permit Streamlining Act.]

b. The information requirements are divided into five parts. Section E.2 of this rule identifies the information required of all applicants seeking permits. Section E.3 of this rule identifies additional information required for applications where Best Available Control Technology, but not Air Quality Impact Analysis, is mandatory. Section E.4 of this rule identifies further information required for applications where Air Quality Impact Analysis is mandatory. Where a modified source is subject to Best Available Control Technology or Air Quality Impact Analysis, some of the information required

in this rule may also be required for the existing portion of the facility. Section E.5 of this rule identifies emission offset information requirements and Section E.6 of this rule identifies health risk assessment information requirements.

[Note: Clarification. See Section 112(1) of the federal CAAA and H&SC 39656 et seq and 39666(e).]

c. The District urges all applicants to discuss their projects with our staff prior to the filing of applications. If ambient monitoring data is needed, these discussions should take place more than a year prior to application. For some projects, it may not be necessary to submit all the information listed to have an application deemed complete.

Consultation with District staff will expedite the process by identifying the specific information that will be required of an applicant.

[Note: Added to ensure that the applicant has the required one year of preconstruction monitoring data.]

- d. Prior to filing an application with the District, when applicable, all applicants are urged to participate fully in the early stages of the environmental review process being undertaken by the lead agency for the applicant's project in order: (1) to be apprised of the applicable air quality and other environmental constraints, and (2) to make such project modifications as may be necessary to satisfy those constraints.
- e. Results of all analyses and tests submitted to the District shall be calculated and reported at standard conditions. Such results shall contain sample calculations that yerify standard conditions.
- f. An applicant seeking an exemption provided for in any rule or regulation of the District must supply the Control Officer with all information necessary, including applicable emission calculation sheets, to determine whether such an exemption applies.
- Where offsets are required and the applicant proposes to obtain them from the Source Register, the applicant shall obtain them prior to Authority to Construct approval in accordance with Regulation VIII and Section E.5 of this Rule.

2. Information Required - Applications

All applications for an Authority to Construct shall be accompanied by information sufficient to make a completeness determination. The Control Officer shall maintain a list(s) pursuant to Government Code Section 65940 specifying information required of an applicant for a permit. The District will provide the applicant with one or more lists which specify in detail the information required and will indicate the criteria which the District will apply in order to determine application completeness.

3. Information Required - Best Available Control Technology

All applicants for an Authority to Construct which require Best Available Control Technology shall submit the following:

- a. Best Available Control Technology Nonattainment Review
 - 1) Individual Best Available Control Technology determinations pursuant to Rule 802 must address air pollution controls for each pollutant subject to review at a stationary source. It is the applicant's responsibility to submit a Best Available Control Technology proposal for evaluation by the District.
 - 2) Justification of selected control technology as Best Available Control Technology.
 - 3) Documentation of technical infeasibility which would preclude the use of a more effective control technology:
 - 4) Operating conditions at which the maximum daily and hourly emissions will be generated (baseline parameters).
 - Maximum daily and hourly emissions at the conditions, described in (4) above, for each potential control technology and the basis of how the emission rates were estimated.
 - 6) Calculations, emission data, and/or other information to determine control effectiveness (percent pollutant removed) of each potential control technology.
 - Emission limits shall be expressed both in terms of an emissions cap (e.g. pounds per day) and in terms which ensure compliance at any operating capacity (e.g. pounds per million British thermal units, or parts per million by volume). Where appropriate, on a case-by-case basis, emission limits may be expressed in alternate terms for determining compliance with the Best Available Control Technology Standards. The source must comply with both limits to demonstrate compliance.
 - 8) Applicants shall describe how the selected Best Available Control Technology is to be monitored for its emission reduction effectiveness.

[Note: Compliance with BACT emission limits is determined on a case-by-case basis and may include equipment configuration, equipment parametric monitoring systems, and may or may not necessarily include continuous monitoring systems.]

 Best Available Control Technology Information - Prevention of Significant Deterioration Requirements

In addition to the requirements of Section E.3.a, of this Rule, sources which trigger Best Available Control pursuant to Rule 803 shall submit the following information. The District shall consider technical feasibility and energy, environmental (cross-media) and economic impacts in evaluating an applicant's Best Available Control Technology proposal:

- 1) A comprehensive list of potential control technologies:
- 2) A ranking of potential control technologies by control effectiveness (percent pollutant removed) in accordance with the Environmental Protection Agency's Top-Down procedure:

- 3) Itemized capital cost, including installation and/or modification cost for each proposed control technology:
- 4) Itemized annual operating cost, including fuel cost for each proposed control technology:
- 5) Energy impacts of each proposed control technology (British thermal units, kilowatt hours):
- 6) Estimated equipment life and its salvage value.

[Note: Salvage value is used for cost analysis.]

- 4. Information Required Air Quality Impact Analysis
 - a. All applicants for an Authority to Construct new or modified sources which require an Air Quality Impact Analysis shall submit the following:
 - 1) A description of any monitoring stations that may be installed by applicant.
 - Sufficient data, approved by the Control Officer consistent with the Air Quality and Meteorological Monitoring Protocol for Santa Barbara County.
 California, to perform an air quality impact analysis from all emission release points including fugitive emissions. The data shall include:
 - At least one full calendar year (twelve consecutive months) of meteorological data consistent with Appendix W of 40 CFR 51
 Guideline on Air Quality Models.
 - b) Topographical data including receptor points by Universal Transverse

 Mercator coordinates and map of receptor points and source.
 - At least one full calendar year (twelve consecutive months) of recent air quality background data from the last 3 years prior to application completeness.
 - d) Computer modeling data:
 - (1) Mass emission rate and stack concentration of air pollutants.
 - (2) Stack diameter.
 - (3) Stack location in Universal Transverse Mercator coordinates.
 - (4) Stack height above ground level.
 - (5) Exhaust temperature.
 - (6) Exhaust velocity.
 - (7) Exhaust flow rate (volumetric).
 - (8) Buildings whose wakes may affect the plume of the stack. including Universal Transverse Mercator coordinates of building.
 - (9) Dimensions (length, width, height) of the buildings identified above.
 - (10) Maximum modeled concentration of air pollutants for all averaging times of concern and all applicable receptors of concern.

- (11) Model used to perform air quality impact analysis.
- (12) Model input and output files on computer diskette and hardcopy.
- (13) Name, address, telephone number, and qualifications of company and/or person who performed air quality impact analysis.
- (14) Terrain description and effects.
- 3) Identify all facilities within the air basin that are owned or operated by the applicant and the compliance status of each.
- 4) Power Consumption of Facility (for PSD permits only)
 - a) Total amount of electrical power to be consumed by the new facility or the increase in the amount of electrical power to be consumed due to the modification.
 - b) Percentage of electrical power provided by off-site generating facilities; identify the source of power.
- 5) Cargo Carriers

List the frequency of visits, describe types and sizes of all cargo carriers (other than motor vehicles), identify nature of cargo, and conditions under which the cargo is transferred.

- 6) For major stationary sources, provide an analysis of alternative sites, sizes, production processes, and environmental control techniques for the proposed source that compares the benefits of the proposed source to its environmental and social costs.
- 5. Information Required Description of Emission Reduction Credits to be Used as Offsets

If offsets are required for the project, then information sufficient to determine the adequacy of Emission Reduction Credits must be submitted before an Authority to Construct application will be deemed complete. In addition, Emission Reduction Credits proposed for use must be documented in the following ways:

- a. If a source is proposed as an offset, the date of issue and number of the existing Permit to Operate and the complete application for the Emission Reduction Credits.
- b. If the Emission Reduction Credits proposed for use have been registered by the District, the Emission Reduction Credit certificates identifying numbers and date of issue shall be included in the Authority to Construct application. Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, price paid per ton per pollutant, and the total cost per pollutant.
- c. If the Emission Reduction Credits proposed for use are not owned by the applicant, a letter from the owner of the Emission Reduction Credit certificates stating that the Emission Reduction Credits will be available at least two weeks before the Authority to Construct is issued. Alternatively, an applicant may provide a copy of the contract to obtain Emission Reduction Credits that is signed by the Emission Reduction Credit provider and by the applicant and which names the District as a third party beneficiary.

Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, the price paid per ton per pollutant, and the total cost per pollutant.

- d. List proposed mitigating measures:
 - 1) Air pollution control equipment proposed.
 - 2) Process changes or operations utilized to reduce emissions.
 - 3) Other.
- e. Identify any air quality impacts from any precursor-secondary pollutant relationships.
- 6. Information Required Health Risk Assessment,

The Health Risk Assessment shall be consistent with methodology approved by the California Air Pollution Control Officers Association Air Toxics "Hot Spots" Program Revised 1992 Risk Assessment Guidelines, prepared by the Toxics Committee of the California Air Pollution Control Officers Association, October, 1993, or most recent version, and shall address the following:

- a. Unit risk factors used in determining lifetime cancer risk.
- b. Population characterization (e.g., numbers, location, sensitive receptors).
- c. Exposure assessment (e.g., working hours, family relocation).
- d. Risk estimates for all parameters of concern, including multi-pathway analysis,
- e. Analysis of potential health effects of non-carcinogenic air pollutants.
- f. Map showing the receptor areas of concern drawn to scale with the sensitive receptors clearly marked. All applicants are encouraged to consult with the District staff as to an appropriate distance for health risk assessment.
- Name, address, telephone number, and qualifications of company and/or person who performed health risk assessment.
- h. Input and output computer files.

[Note: Identifies the information necessary for performing a Health Risk Assessment. See Section 112(l) of the federal CAAA and H&SC Section 39656 et seq and 39666(e)]

RULE 205. STANDARDS FOR GRANTING PERMITS APPLICATIONS. (Adopted 10/18/1971, revised 5/1/1972, adopted 5/12/1973, revised 3/5/1975, 10/11/1976 and 6/26/1978, readopted 10/23/1978, revised 7/2/1979, 3/5/1984, 6/9/1986, 6/13/1988, 8/8/1988 and 7/30/1991, and [date of adoption])

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate.

B. Exemptions

None

C. Definitions

See Rule 102 for definitions

AD. The Control Officer shall deny an Authority to Construct or Permit to Operate, except as provided in Rule 206 if the applicant does not show that every article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants, or the use of which may eliminate or reduce or control the issuance of air contaminants, is so designed, controlled, or equipped with such air pollution control equipment, that it may be expected to operate without emitting or without causing to be emitted air contaminants in violation of Sections 41700 or 41701 of the Health and Safety Code, or of these Rules and Regulations. No Authority to Construct, Permit to Operate or permit reevaluation Recertification shall be issued for any project until unless that project's emissions have been included in are consistent with the Air Quality Attainment Plan and Clean Air Plan emissions inventory adopted by the County Board Supervisors. Notwithstanding any rule to the contrary, this Section shall apply to all applicants regardless of the date of their application and rules in effect on that date. Where applicable, project emissions shall be specified in pounds per million British thermal units, parts per million by volume, and pounds per hour.

[Note: Clarification that the rule also applies to reevaluated permits, and that the project's emissions cannot jeopardize the attainment of air quality standards. The District's governing board has changed from the County Board of Supervisors to a District board. Language added to specify uniformity of engineering calculations]

BE. Before an Authority to Construct or a Permit to Operate is granted, the Control Officer may require the applicant to provide and maintain such facilities as are necessary for sampling and testing purposes in order to secure information that will disclose the nature, extent, quantity or degree of air contaminants discharged into the atmosphere from the article, machine, equipment or other contrivance described in the Permit to Operate.

In the event of such a requirement, the Control Officer shall notify the applicant in writing of the required size, number and location of sampling holes; and size and location of the sampling platform; and the utilities for operating and sampling and testing equipment. The platform and access for sampling shall be constructed in accordance with the Federal General Industry Safety Orders of the State of California.

[Note: Language on stack sampling requirements predates 40 CFR 60 Appendix A.]

C [Note: Superseded by Regulation VIII]

MOST OF FORMER SECTION C OF THIS RULE HAS BEEN MOVED TO RULE 102, OTHER RULES IN REGULATION II, OR REGULATION VIII. HOWEVER, SECTIONS ON POWER PLANTS, COGENERATION AND RESOURCE RECOVERY HAVE BEEN DELETED IN THEIR ENTIRETY.

RULE 208. ACTION ON APPLICATIONS - TIME LIMITS._(Adopted 10/18/1971, readopted 10/23/1978, and revised (date of adoption))

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate.

B. Exemptions.

This Rule shall not apply to any person applying for a permit pursuant to Regulation XIII.

C. Definitions

See Rule 102 for definitions.

D. Requirements - General - Application Form and Completeness

- 1. Every application for a permit required under these Rules and Regulations shall be filed in a manner and form prescribed by the Control Officer and shall include information necessary to enable the Control Officer to make a determination required by Rule 205 and any other standard applicable to the granting or denial of permits.
- 2. Not later than 30 days after receiving an application for a permit required by these Rules and Regulations, the Control Officer shall determine, in writing, whether the application is complete and shall immediately transmit the determination to the applicant.

[Note: Standard Permit Streamlining requirement]

- 3. Where an application has been deemed incomplete pursuant to (D)(2), upon receipt of any resubmittal or additional information a new 30 day period shall begin during which the Control Officer shall determine the completeness of the application. If the Control Officer determines that the application is still not complete, the applicant may appeal that determination to the Board. The Board shall make its written determination within 60 days after receiving the applicant's appeal. Pursuant to Government Code section 65943(c), if such determination is not made within that 60 day period, the application with the submitted materials shall be deemed complete. Appeals will be assessed a fee based on the cost reimbursement provisions of Rule 210.
- 4. An application for an Authority to Construct or Permit to Operate shall be denied 120 days after the date of filing if the applicant has not submitted sufficient information to enable the Control Officer to deem it complete, unless the Control Officer has, in writing, extended the time. A permit application shall not be denied during the pendency of an appeal to the Board pursuant to (D)(3).
- 5. An applicant and the Control Officer may mutually agree in writing to extend any time limit provided for in this subsection.

E. Requirements - Authority to Construct

1. Unless a shorter time period is specifically provided in these Rules and Regulations or in Division 26 of the Health and Safety Code or other applicable State or federal law, the time limits of the Permit Streamlining Act, Government code section 65920 et seq., shall apply to any application for an Authority to Construct.

- At the request of the applicant, the District shall commence processing a permit application prior to final action on the development project by the lead agency to the extent that information necessary to commence the processing is available. If, as a result of the final lead agency action, the project description in the submitted permit application is changed in a way that affects emissions of air pollutants, then the applicant may be required to submit a new permit application.
- 3. Large Sources. The Control Officer shall act within 180 days from the date an application for an Authority to Construct permit has been deemed complete or 180 days after the approval of the project by the lead agency, whichever is longer, and shall notify the applicant in writing of the approval, conditional approval or denial of the application.
- Medium Sources. The Control Officer shall act within 90 days from the date an application for an Authority to Construct has been deemed complete or 90 days after lead agency approval, which ever period is longer, and shall notify the applicant in writing of the approval, conditional approval or denial of the application.

[Note: Expedited permit processing per H&SC 42322(3).

Small Sources. An applicant for a small source may apply simultaneously for an Authority to Construct/Permit to Operate. The Control Officer shall act within 30 days from the date an application for an Authority to Construct/Permit to Operate has been deemed complete and shall notify the applicant in writing of the approval, conditional approval or denial of the application. For good cause, the Control Officer may determine that an Authority to Construct/Permit to Operate shall not be issued simultaneously to an applicant for a small source, in which case, the time limits and procedures for medium sources shall apply.

[Note: Expedited permit processing per H&SC 42322(3)]

- Notwithstanding any other provision in this Rule, if an Environmental Impact Report or Negative Declaration is required for a project for which the District is the lead agency, the time limits specified in Government Code section 65950 shall apply.
- 7. Projects subject to Health and Safety Code Section 42314.2 may receive additional extensions as authorized by that section.

[Note: Implements special time limits prescribed for resource recovery projects.]

8. The Control Officer may extend any time limit provided for in prescribed by this subsection up to the maximum extent of time limit authorized by State or federal law or required by federal statute or regulation. If the Control Officer fails to take action on or extends the time limit prescribed by this subsection for action on an application for Small or Medium sources, the applicant may request the Board set a date certain on which the permit will be acted upon by the Control Officer, provided the applicant provides written notice to the Control Officer 7 days prior to filing the request. The request shall be filed in accordance with the filing requirements adopted by the Board and heard at the next regularly scheduled meeting in accordance with such filing requirements.

[Note: The amendments accomplish two things:

First, the changes to the first sentence clarify that the Control Officer must comply with state law. The more liberal limits of federal law apply only where authorized by State law, e.g. Gov. Code § 65954 "The time limits established by this article shall not apply in the event that federal statutes or regulations require time schedules which exceed such time limits."

Second, the language added after the first sentence implements Health & Safety Code § 42322(a)(7).]

9. A small modification at a large or medium source, where the modification does not trigger any NSR (BACT, AQIA, offsets) requirements, may be considered on a case-by-case basis for small source permit processing pursuant to Section E.5. of this rule.

F. Requirements - Permits to Operate

1. Large Sources. The Control Officer shall act within 30-120 days from receipt thereof on the date an application for a Permit to Operate has been deemed complete and shall notify the applicant in writing of the approval, conditional approval or denial of the application. The Control Officer may at any time request further information, plans or specifications from the applicant. The 30 120 day time limit may be extended by written agreement executed by the Control Officer and the applicant. If the Control Officer shall fail to act within the said 30 120 days, or any extension thereof by written agreement, the applicant may at his optionally deem the application denied for the purpose of appeal.

[Note: The District requires more time for very complex sources. The source should be at no disadvantage and may operate under the terms of its SCDP during the permit processing time].

2. Medium Sources. The Control Officer shall act within 60 days from the date an application for a Permit to Operate has been deemed complete and shall notify the applicant in writing of the approval, conditional approval or denial of the application.

[Note: Less complex sources should require less time, however, the source may still operate under the terms of the SCDP during permit processing.]

RULE 201. PERMITS REQUIRED. (Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised 7/2/1979, and 4/17/1997)

A. Applicability

This rule applies to any person who builds, erects, alters, replaces, operates or uses any article, machine, equipment, or other contrivance which may cause the issuance of air contaminants.

B. Exemptions

Exemptions to this rule appear in Rule 202 (Exemptions to Rule 201).

C. Definitions

See Rule 102 for definitions not limited to this rule. For the purposes of this rule, the following definitions shall apply:

"Erect" means the setting up, installing, or assembling of equipment that can be moved from one location to another and that must be stationary in order to operate.

D. Requirement - Authority to Construct

- 1. Any person building, erecting, altering, or replacing any article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants or the use of which may eliminate or reduce or control the issuance of air contaminants, shall first obtain an Authority to Construct for such construction from the Control Officer. An Authority to Construct issued to a source shall remain in effect until the Permit to Operate the equipment for which the application was filed is granted or denied or the application expires.
- Notwithstanding any exemption in these rules and regulations, equipment used for the dredging of waterways, except during emergencies declared by public officials in accordance with state law, or equipment used in pile driving adjacent to or in waterways, or pipe-laying and derrick barges, shall obtain an Authority to Construct and a Permit to Operate when the potential to emit of such equipment per stationary source is equal to or greater than 25 tons per year of any affected pollutant during any consecutive 12 month period. The Control Officer shall not require Best Available Control Technology for such sources if federal law preempts this requirement.

E. Requirement - Permit to Operate

1. Source Compliance Demonstration Period

After issuance of an Authority to Construct and prior to issuance of a Permit to Operate, the Control Officer may require an applicant to undergo a Source Compliance Demonstration Period, to evaluate each article, machine, equipment or other contrivance listed within the Authority to Construct. The applicant must show that all of the listed equipment is so designed, controlled or equipped with such air pollution control equipment, that it may be expected to be operated in compliance with Sections 41700 or 41701 of the Health and Safety Code and these Rules and Regulations and any limitation or permit condition of the Authority to Construct.

2. Permit to Operate

Before any article, machine, equipment or other contrivance described in Rule 201(D) may be operated or used, a written permit shall be obtained from the Control Officer. No Permit to Operate or use shall be granted either by the Control Officer or the Hearing Board for any article,

machine, equipment or contrivance described in Rule 201(D) constructed or installed without authorization as required by Rule 201(D) until the applicant presents such information or analysis as will disclose the nature, extent, quantity or degree of air contaminants which the source may discharge. The Control Officer may also require the same information if an article, machine, equipment or contrivance is altered or modified to conform to the standards set forth in these Rules and Regulations. Further, the Control Officer may require that the disclosures described be certified by a professional engineer registered by the State of California.

3. Consolidated Authority to Construct/Permit to Operate

The Control Officer may issue a consolidated Authority to Construct/Permit to Operate.

F. Requirement - Expiration of Authority to Construct

If unused, an Authority to Construct shall automatically expire one year from the date of issuance. An application for Permit to Operate existing equipment may be canceled one year from the date of filing of the application, if unused.

G. Requirement - Permit Reissuance and Reevaluation

A Permit to Operate shall be valid for one year and shall be eligible for extension provided the permittee is in compliance with permit conditions as determined by the District's annual compliance inspection and upon the payment of fees. The Control Officer may prohibit the reissuance of a Permit to Operate, or revise it as authorized by law, if the article, machine, equipment or contrivance subject to the permit does not comply with all applicable orders, rules and regulations of the District and CARB, and Division 26 of the Health and Safety Code, including Health and Safety Code Sections 42301(e) and (f). A Permit to Operate shall be reevaluated by the Control Officer every three years to determine that the permit conditions are adequate to ensure compliance with, and the enforceability of, District rules and regulations applicable to the source.

H. Requirement - Notification to Officials

The Control Officer shall notify the building department or division of every governmental agency, excluding federal agencies, within the District boundaries, on an annual basis, that the owner or authorized agent of development projects which do not require a development permit other than a building permit, will need to comply with the requirements for a permit for construction or modification from the District. In addition, to assist the County and each city to comply with Government Code Section 65850.2, the Control Officer will provide the building officials with relevant Authority to Construct permit information to be distributed to building permit applicants.

I. Requirement - Posting of Authority to Construct or Permit to Operate

- 1. A person who has been granted under this Rule an Authority to Construct or a Permit to Operate for any article, machine, equipment, or other contrivance described in Section D or E of this rule shall maintain the Authority to Construct or Permit to Operate, or an approved facsimile readily available to the District and operating personnel at all times on the operating or construction premises, or at a location disclosed to the Control Officer, and shall provide it upon request to the Control Officer or to the Control Officer's representative.
- 2. No person shall deface, alter, forge, counterfeit, or falsify a permit, or facsimile thereof issued or maintained pursuant to the provisions of this Rule.

J. Requirements - Absence of Permitted Equipment

Items of equipment, other than portable internal combustion engines which are eligible for registration pursuant to Health & Safety Code 41750 et seq, for which a Permit to Operate is granted, shall be at all times present within the boundaries of the stationary source unless the operator shows to the satisfaction of the District that the absence of the equipment is due to its being rebuilt or otherwise reworked offsite, or in temporary storage onsite. Failure to make this showing at the time of permit reevaluation and failure to obtain a permit modification listing the absent equipment shall result in removal of the absent equipment from the Permit to Operate upon the next reevaluation of the permit.

K. Requirement - Inoperability of Permitted Equipment

A permitted item of equipment found in inoperable condition must be demonstrated by the operator, to the satisfaction of the Control Officer, either to function in compliance with applicable permit conditions or to have no pollutant emissions. This section shall not apply to well heads.

RULE 202. EXEMPTIONS TO RULE 201. (Adopted 10/18/1971, revised 5/1/1972 and 6/27/1977, readopted 10/23/1978, revised 12/7/1987, 1/11/1988, 1/17/1989, 7/10/1990 7/30/1991, 11/05/1991, 3/10/1992, 5/10/94, 6/28/1994 and 4/17/1997)

A. Applicability

An Authority to Construct or Permit to Operate shall not be required for equipment, operations and activities described herein.

B. Exceptions

Notwithstanding any exemption created by this Rule, any equipment, activity or operations proposed by an applicant for use as an Emission Reduction Credit is not exempt.

C. Definitions

See Rule 102 for definitions.

D. General Provisions

- 1. The owner or operator shall maintain records which clearly demonstrate that the exemption threshold has not been exceeded. These records shall be made available to the District upon request and shall be maintained for a minimum of three calendar years. Failure to maintain records which meet the above requirements or exceedance of the emission exemption threshold or violation of any District rule may result in the immediate loss of the permit exemption. By accepting the terms of the exemption the owner or operator agrees to allow District personnel access to any records or facilities for inspection per Sections 42303 and 41510 of the California Health and Safety Code and Section 114 of the Clean Air Act.
- 2. For the purposes of demonstrating that the emissions exempted do not exceed the aggregate exemption limit specified in Sections G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, or V of this Rule the owner or operator may base the demonstration on actual emissions provided the owner or operator keeps material use records in a manner approved by the Control Officer. Otherwise the owner or operator must maintain records that demonstrate that the potential to emit of the equipment will not exceed the applicable aggregate exemption emission limit.
- 3. A permit shall not be required for equipment, operations, or activities described in Section 42310 of the California Health and Safety Code. However, the exemption for vehicles shall not be applicable to any article, machine, equipment or other contrivance mounted on such vehicles that would otherwise require a permit under the provisions of these Rules and Regulations.
- 4. Trains and aircraft used to transport passengers or freight are exempt from permit requirements.

5. Temporary Equipment

A permit shall not be required for temporary equipment where the projected actual aggregate emissions of all affected pollutants do not exceed 1 ton (except carbon monoxide, which shall not exceed 5 tons) and the use of each individual piece of equipment does not exceed one 60 day period in any consecutive 12 month period. Such equipment shall also meet one of the following requirements:

a. the temporary equipment is not part of an existing operating process of a stationary source; or

b. the temporary equipment replaces equipment that has qualified for a breakdown pursuant to Rule 505.

To qualify for this exemption, the owner or operator shall submit a written request to the Control Officer. This request shall identify the temporary equipment, its location, any equipment being replaced, and shall include the emission calculations and assumptions that demonstrate that the equipment meets the exemption criteria. The temporary project may commence as soon as the request has been made, however, project commencement with equipment that is later found ineligible for the exemption shall constitute a violation of the District's Rules and Regulations. This exemption shall not apply to equipment used to control emissions of Hazardous Air Pollutants. The operator shall pay any applicable fee pursuant to Rule 210.

6. De minimis Exemption

Any physical change in an existing stationary source that meets each of the requirements below is exempt. Emission increases shall be based on the uncontrolled potential to emit, less emission reductions achieved through Rule 331, and shall not be reduced (netted out) by emission reductions achieved through the removal or control of any component.

- a. The emission increase for any one emission unit shall not exceed 2.40 pounds per day of any affected pollutant, except carbon monoxide, which shall not exceed 19.20 pounds per day.
- b. The aggregate emissions increase at the stationary source due to all *de minimis* physical changes at the stationary source since November 15, 1990, shall not exceed 24.00 pounds per day, except carbon monoxide, which shall not exceed 60.00 pounds per day. Any increase shall be reduced to the extent it is included in the source's net emission increase pursuant to District Rules and Regulations.
- c. The physical change does not require a change to any article, machine, equipment or contrivance used to eliminate or reduce or control the issuance of air contaminants.
- d. The article, machine, equipment or contrivance is not subject to an Air Toxic Control Measure adopted by the Air Resource Board.
- e. The article, machine, equipment or contrivance is not subject to New Source
 Performance Standards or National Emission Standards for Hazardous Air Pollutants
 promulgated by the Environmental Protection Agency; or Hazardous Air Pollutant
 requirements under Section 112 of the Clean Air Act.

The owner or operator shall maintain a record of each *de minimis* change, which shall include emission calculations demonstrating that each physical change meets the criteria listed in (a) and (b), above. Such records shall be made available to the District upon request.

7. Stationary Source Permit Exemption

A permit shall not be required for any new, modified or existing stationary source if the uncontrolled actual emissions of each individual affected pollutant from the entire stationary source are below 1.00 ton per calendar year, unless:

a. the source is subject to EPA promulgated New Source Performance Standards or National Emission Standards for Hazardous Air Pollutants, or the federal operating permit program (40 CFR Part 70), or Hazardous Air Pollutant requirements of Section 112 of the federal Clean Air Act, or

- b. the source is subject to a California Air Resources Board Air Toxics Control Measure; or
- c. the source is subject to Public Notification or Risk Reduction under the requirements of California Health and Safety Code Section 44300 *et seq.*; or
- d. the Control Officer makes a determination that a permit is necessary to ensure that emissions remain below one ton per year; or
- e. the source is a new or modified source which emits hazardous air emissions and is located within 1,000 feet from the outer boundary of a school site (Health and Safety Code Section 42301.6, et seq.). Each owner or operator who desires this exemption shall submit an exemption request form and obtain written concurrence from the District. A fee shall be assessed as specified in Rule 210 (Schedule F).
- 8. A permit shall not be required for routine repair or maintenance of permitted equipment, not involving structural changes. As used in this paragraph, maintenance does not include operation.
- 9. A permit shall not be required for equivalent routine replacement in whole or in part of any article, machine, equipment or other contrivance where a Permit to Operate had previously been granted under Rule 201, providing emissions are not increased and there is no potential for violating any ambient air quality standard. An equivalent piece of equipment has a Potential to Emit, operating design capacity or actual demonstrated capacity less than or equal to that of the original piece of equipment, and is subject to the same limitations and permit conditions as the equipment being replaced. The owner or operator shall notify the District within 30 days of an equivalent routine replacement, unless the replacement equipment is identical as to make and model, and routine in which case notification is not required. This provision shall not grant any exemption from New Source Performance Standards.
- 10. Notwithstanding any exemption defined in this Rule, no new or modified stationary source that has the potential to emit air contaminants in excess of the amounts specified shall be exempt from permit requirements:
 - a. 3.28 pounds per day of lead
 - b. 0.04 pounds per day of asbestos
 - c. 0.0022 pounds per day of beryllium
 - d. 0.55 pounds per day of mercury
 - e. 5.48 pounds per day of vinyl chloride
 - f. 16.44 pounds per day of fluorides
 - g. 38.45 pounds per day of sulfuric acid mist, or
 - h. 54.79 pounds per day of total reduced sulfur or reduced sulfur compounds.
 - i. 0.0000035 tons per year municipal waste combustor organics.
 - j. 15 tons per year municipal waste combustor metals.
 - k. 40 tons per year municipal waste combustor acid gases.
- 11. Where an exemption is described in this Rule for a general category of equipment, the exemption shall not apply to any component which otherwise would require a permit under the provisions of these Rules and Regulations.
- 12. Emission control equipment, directly attached to equipment which is exempt from permit by provisions of this Rule, is exempt.
- 13. A change in location of an emission unit within the boundaries of a stationary source shall not require a permit modification unless the location of the equipment is prescribed in the source's

permit and a specific location was assumed in an Air Quality Impact Analysis or a Health Risk Assessment that formed the basis of the issuance of the permit.

14. Application of architectural coating in the repair and maintenance of a stationary structure is exempt from permit requirements.

E. Compliance with Rule Changes

The provisions of this section shall apply when an exemption for existing equipment is removed by revision of this Rule. The equipment owner shall file a complete application for a permit required by the exemption change within ninety (90) days after adoption of the revised rule; or for sources on the Outer Continental Shelf, within 90 days after the date the revision to this Rule is added to the Outer Continental Shelf Air Regulations (40 CFR Part 55). If no application is filed within the ninety (90) day period, the application filing fee prescribed in Rule 210 shall be doubled and the equipment owner shall be subject to a Notice of Violation and to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

If an application is filed within the ninety (90) day filing period after adoption of the revised rule but the application is deemed incomplete by the District, the applicant shall be notified by the District that a complete application must be filed within thirty (30) days of the notification. If a complete application is not received within thirty (30) days after the notification, the prescribed filing fee shall be doubled and the owner of the equipment shall be subject to the penalty provisions set forth in California Health and Safety Code Sections 42400 et seq.

F. Internal Combustion Engines

- 1. A permit shall not be required for internal combustion engines if any of the following conditions is satisfied:
 - a. Engines used in aircraft and in locomotives;
 - b. Engines used to propel marine vessels, except cargo vessels associated with a stationary source which shall be regulated as specified under the provisions of Regulation VIII.
 - c. Engines used to propel vehicles, as defined in Section 670 of the California Vehicle Code, but not including any engine mounted on such vehicles that would otherwise require a permit under the provisions of these Rules and Regulations.
 - d. Piston-type internal combustion engines used exclusively for emergency electrical power generation or emergency pumping of water for flood control or firefighting if the engine operates no more than 200 hours per calendar year, and where a record is maintained and is available to the District upon request; the record shall list the identification number of the equipment, the number of operating hours on each day the engine is operated and the cumulative total hours.
 - e. Piston-type internal combustion engines with a manufacturer's maximum rating of 100 brake horsepower (bhp) or less or gas turbine engines with a maximum heat input rate of 3 million British thermal units per hour or less at standard conditions, except if the total horsepower of individual piston-type internal combustion engines less than 100 bhp but greater than 20 bhp at a stationary source, as defined in Rule 102, exceeds 500 bhp in which case the individual engines are not exempt. Internal combustion engines exempt under other provisions of Section F do not count toward the 500 bhp aggregate limit

 Portable internal combustion engines eligible for statewide registration pursuant to Title 13, Section 2450 et seq. California Code of Regulations, are exempt until 180 days after the effective date of the Air Resources Board regulation providing for the voluntary registration of portable internal combustion engines.

If the owner of an eligible portable internal combustion engine elects not to register under the statewide registration program, the unregistered engine shall be subject to District permitting requirements pursuant to District Rules and Regulations.

Notwithstanding the above exemption, permitted portable equipment eligible for the statewide registration program shall remain under permit until registered.

- 3. A permit shall not be required for engines used in construction activities. However, if the combined emissions from all construction equipment used to construct a stationary source which requires an Authority to Construct have the potential to exceed 25 tons of any pollutant, except carbon monoxide, in a 12 month period, the owner of the stationary source shall provide offsets as required under the provisions of Rule 804 and shall demonstrate that no ambient air quality standard would be violated.
- 4. A permit shall not be required for engines used for aircraft shows or to power amusement rides at seasonal or special occasion shows, fairs, expositions, circuses or carnival events, provided that the duration of such event is less than 18 days in any calendar year.
- 5. A permit shall not be required for engines less than 50 bhp used:
 - a. for military tactical support operations including maintenance and training for such operations;
 - b. to power temperature and humidity control systems on cargo trailers used to transport satellites and space launch equipment;
 - c. exclusively for space launch facility support and which power hoists, jacks, pulleys, and other cargo handling equipment permanently affixed to motor vehicles or trailers pulled by motor vehicles.
- 6. A permit shall not be required for drilling equipment used in state waters or in the outer continental shelf provided the emissions from such equipment are less than 25 tons per stationary source of any affected pollutant during any consecutive 12 month period.
- 7. An internal combustion engine which powers an item of equipment identified as exempt in any other part of this Rule is not exempt unless the engine qualifies for an exemption pursuant to this rule.

G. Combustion Equipment (Other than Internal Combustion Engines)

Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 25 tons per calendar year of any affected pollutant is not exempt.

1. Combustion equipment with a maximum heat input of less than 5 million Btu per hour is exempt from permit requirements if fired exclusively with one of the following:

- a. Natural or produced gas which meets General Order 58-A of the Public Utility Commission.
- b. Liquefied petroleum gas, which meets Gas Processors Association Standards,
- c. A combination of natural or produced and liquefied petroleum gas, meeting the requirements of subdivisions (a) and (b) above.

Combustion equipment with a maximum heat input rate of 1 million British thermal units per hour or less is exempt and does not count towards the 25 tons per calendar year stationary source exemption threshold listed above in this paragraph provided the equipment is fired exclusively with a, b, or c listed above in this paragraph.

- 2. Combustion equipment (other than internal combustion engines) which provides heat energy to any item of equipment identified as exempt in any other part of this Rule, is not exempt unless fired exclusively with one of the fuels listed in G.1.a., G.1.b., or G.1.c.
- 3. Combustion equipment (other than internal combustion engines) identified as exempt in any other section of this rule does not count toward the 25 ton per year aggregate emission limit.

H. Abrasive Blast Equipment

The following listed abrasive blast equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Abrasive blast cabinet-dust filter integral combination units where the total internal volume of the blast section is 50 cubic feet or less.
- 2. Blast cleaning equipment using a suspension of abrasive in water.
- 3. All portable abrasive blast equipment, excluding any internal combustion engine associated with such equipment which must comply with the requirements of Section F. of this rule.

I. Coatings Applications Equipment and Operations

The following listed coating applications equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- Dipping operations for coating objects with oils, waxes or greases where no organic solvents, diluents or thinners are used.
- 2. Dipping operations for applying coatings of natural or synthetic resins which contain no organic solvents
- 3. Equipment used in surface coating operations provided that the total amount of coatings and solvents used does not exceed 55 gallons per year. However, such sources need not obtain permits for air pollution control equipment (i.e., spray booths, carbon adbsorbers, incinerators, thermal oxidizers, dust collectors, etc.) unless control equipment is required by District prohibitory rules. For equipment owned or operated by a stationary source owner or operator and used as part of the

stationary source operations, the 55 gallon per year exemption shall be based on the total coatings and solvents usage of all such equipment at the stationary source.

To qualify for this exemption, the owner or operator shall maintain records of the amount of coating and/or solvents used for each calendar year. These records shall be kept for a minimum of 3 years and be made available to the District on request.

- 4. Air brushing operations.
- 5. Polyurethane powder coating operations.

J. Drycleaning and Fabric Related Equipment and Operations

The following listed drycleaning and fabric related equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Equipment used exclusively for the dyeing or stripping (bleaching) of textiles where no organic solvents, diluents or thinners are used.
- 2. Lint traps used exclusively in conjunction with dry cleaning tumblers.
- 3. Laundry dryers, extractors or tumblers used for fabrics cleaned only with water solutions of bleach or detergents.

K. Food Processing and Preparation Equipment

The following listed food processing and preparation equipment is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Equipment used in eating establishments for the purpose of preparing food for human consumption.
- 2. Smokehouses in which the maximum horizontal inside cross-sectional area does not exceed 20 square feet
- 3. Ovens, mixers and blenders used in bakeries where the products are edible and intended for human consumption.
- 4. Confection cookers where the products are edible and intended for human consumption.
- 5. Equipment used exclusively to grind, blend or package tea, cocoa, spices or roasted coffee.
- 6. Barbecue Equipment.

L. General Utility Equipment and Operations

The following listed general utility equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Heat exchangers.
- 2. Comfort air conditioning or comfort ventilating systems which are not designed to remove air contaminants generated by or released from specific units or equipment.
- 3. Refrigeration units except those used as, or in conjunction with, air pollution control equipment.
- 4. Water cooling towers and water cooling ponds not used for evaporative cooling of process water or not used for evaporative cooling of water from barometric jets or from barometric condensers.
- 5. Equipment used exclusively for steam cleaning.
- 6. Equipment used exclusively for space heating.
- 7. Compressors of, and holding tanks for, dry natural gas.
- 8. Natural draft hoods, natural draft stacks or natural draft ventilators where natural draft means the flow of gases is not augmented by mechanical means.
- 9. Vacuum cleaning systems used exclusively for industrial, commercial or residential housekeeping purposes.
- 10. Rail cleaning operations.
- 11. Aerobic wastewater treatment equipment, including primary/secondary settling, trickling filter, and sludge drying beds.
- 12. Ozone generators used for water treatment, provided that the ozone is not released to the atmosphere.
- 13. Water well, water filtration systems, reverse osmosis units.
- 14. Fuel Cells, and any associated fuel input conditioning exclusively servicing such fuel cell, in which electro-chemically reactive materials are supplied to a cell and consumed to produce electricity.
- 15. Notwithstanding G.2 of this rule, portable steam cleaning/pressure washing equipment with maximum heat input rating less than 1 million Btu/hr fired exclusively on diesel fuel.

M. Glass, Ceramic, Metallurgical Processing and Fabrication Equipment and Operations

The following glass, ceramic, metallurgical processing and fabrication equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Porcelain enameling furnaces, porcelain enameling drying ovens, vitreous enameling furnaces or vitreous enameling ovens.
- 2. Crucible type or pot type furnaces, except those specified in M.8, with a brimful capacity of less than 463 cubic inches of any molten metal.

- 3. Kilns used for firing ceramic ware.
- 4. Equipment used exclusively for forging, pressing, rolling or drawing of metals or for heating metals immediately prior to forging, pressing, rolling or drawing.
- 5. Equipment used exclusively for the sintering of glass or metals.
- 6. Equipment used for washing or drying products fabricated from metal or glass, provided that no volatile organic materials are used in the process and that no oil or solid fuel is burned.
- 7. Equipment used exclusively for heat treating glass or metals, or used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing, or diffusion treating of metal objects.
- 8. Crucible furnaces, pot furnaces or induction furnaces, with a capacity of 1000 pounds or less each, in which no sweating or distilling is conducted and from which only the following metals are poured or in which only the following metals are held in a molten state:
 - a. Aluminum or any alloy containing over 50 percent aluminum.
 - b. Magnesium or any alloy containing over 50 percent magnesium.
 - c. Lead or any alloy containing over 50 percent lead.
 - d. Tin or any alloy containing over 50 percent tin.
 - e. Zinc or any alloy containing over 50 percent zinc.
 - f. Copper or any alloy containing over 50 percent copper.
 - g. Precious metals.
- 9. Tumblers used for the cleaning or deburring of metal products without abrasive blasting.
- 10. Shell core and shell-mold manufacturing machines.
- 11. Molds used for the casting of metals.
- 12. Equipment used for inspection of metal products.
- 13. Die casting machines.
- 14. Atmosphere generators used in connection with metal heat treating processes.
- 15. Brazing, soldering or welding equipment.
- 16. Foundry sand mold forming equipment to which no heat is applied.
- 17. Equipment using aqueous solutions for the surface preparation, cleaning, stripping or etching (does not include chemical milling) of the following base metals: brass, bronze, copper, iron, lead, nickel, tin, zinc or precious metals provided that volatile organic materials used in the aqueous solutions do not exceed one percent by volume.

N. Laboratory Equipment and Operations

The following laboratory equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Laboratory equipment used exclusively for chemical or physical analyses and bench scale laboratory equipment.
- 2. Vacuum producing devices used in laboratory operations.

O. Material Working and Handling Equipment and Operations

The following material working and handling equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Presses used exclusively for extruding metals, minerals, plastics or wood.
- 2. Equipment used exclusively to mill or grind coating and molding compounds where all materials charged are in a paste form.
- 3. Equipment used for buffing (except automatic or semi-automatic tire buffers) or polishing, carving, cutting, drilling, machining, routing, sanding, sawing, surface grinding, or turning of ceramic artwork, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, carbon or graphite.
- 4. Equipment used for carving, cutting, drilling, surface grinding, planing, routing, sanding, sawing, shredding or turning of wood, or the pressing or storing of sawdust, wood chips or wood shavings.

P. Miscellaneous Equipment and Operations

The following miscellaneous equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Transporting materials on streets and highways.
- Equipment used exclusively for the melting or applying of wax where no organic solvents, diluents or thinners are used.
- 3. Equipment used for hydraulic or hydrostatic testing.
- 4. Equipment used exclusively for binding lining to brake shoes.
- 5. Equipment used exclusively for the manufacture of water emulsions of asphalt, greases, oils or waxes.
- 6. Equipment used exclusively for the mixing and blending of materials at ambient temperature to make water based adhesives.
- 7. Equipment used to liquefy or separate oxygen, nitrogen or the rare gases from the air.
- 8. Paving activities except scarification, "cutback" asphalt or batch plant operations at paving sites.
- 9. Equipment used for bioremediation of diesel and crude oil contaminated soil.
- 10. Safety flares used for emergencies or for search and rescue operations.

- 11. Fire training facilities necessary for the instruction of public or industrial employees in the methods of fire fighting.
- 12. Flares used to combust gaseous hydrogen during rocket fueling operations.
- 13. Explosive ordnance detonation.

Q. Mixing, Blending and Packaging Equipment and Operations

The following mixing, blending, and packaging equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Batch mixers of 5 cubic feet rated working capacity or less.
- 2. Equipment used exclusively for the packaging of lubricants or greases.
- Equipment used exclusively to package pharmaceuticals and cosmetics or to coat pharmaceutical tablets.

R. Plastics, Composite and Rubber Processing Equipment and Operations

The following plastics, composite and rubber processing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Ovens used exclusively for the curing of plastics which are concurrently being vacuum held to mold or for the softening or annealing of plastics.
- Ovens used exclusively for the curing of vinyl plastisols by the closed mold curing process.
- Ovens used exclusively for curing potting materials or casting made with epoxy resins.
- 4. Presses used for the curing of rubber products and plastic products.
- 5. Equipment used exclusively for conveying and storing plastic pellets.
- 6. Equipment used for compression molding and injection molding of plastics.
- 7. Mixers for rubber or plastics where no material in powder form is added and no organic diluents or thinners are emitted.
- 8. Roll mills or calendars for rubber or plastics where no organic diluents or thinners are emitted.

S. Printing and Reproduction Equipment and Operations

The following printing and reproduction equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. All sheet-fed printing presses, and all other printing presses without dryers, excluding rotogravure and flexographic printing presses.
- 2. Platen presses used for laminating.
- 3. Photographic process equipment by which an image is reproduced upon material sensitized to radiant energy.
- 4. Stenciling and dyeing operations.

T. Semiconductor and Electronics Manufacturing Equipment and Operations

The following semiconductor and electronics manufacturing equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of one ton per calendar year of any affected pollutant is not exempt.

- 1. Vacuum deposition.
- 2. Ion implantation.
- 3. Sputtering.
- 4. Ozone/plasma/ion etching or ashing.
- 5. Vacuum bake systems.
- 6. Furnaces used for crystal growth, liquid phase epitaxial, compounding and/or refining, and carbon coating.
- 7. Automated epoxy adhesive, potting compound, conformal coating dispensing machines and associated equipment used for mixing, injection and curing.
- 8. Ovens used exclusively for curing epoxies and adhesives. Ovens used exclusively for curing permitted paint application processes.
- 9. Ovens for drying parts cleaned with water.

U. Solvent Application Equipment and Operations

The following solvent application equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt.

- 1. Unheated solvent dispensing containers, unheated non-conveyorized solvent rinsing containers or unheated non-conveyorized coating dip tanks of 100 gallons or less capacity; this exemption shall not apply to degreasing equipment regulated under the provisions of Rule 321
- 2. Single pieces of degreasing equipment, which use unheated solvent, and which:
 - have a liquid surface area of less than 929 square centimeters (1.0 square foot), unless the aggregate liquid surface area of all degreasers at a stationary source, covered by this exemption is greater than 0.929 square meter (10 square feet), or

- b. use only organic solvents with an initial boiling point of 150 degrees Celsius (302 degrees Fahrenheit) or greater as determined by ASTM D-1078-86, or
- c. use materials with a volatile organic compound content of two percent or less by weight as determined by EPA Method 24.
- d. materials exempt pursuant to subsections b. and c. above do not contribute to the 0.929 square meter (10 square feet) limitation in subsection a.
- 3. Equipment used in wipe cleaning operations provided that the solvents used do not exceed 55 gallons per year. To qualify for this exemption, the owner or operator shall maintain records of the amount of solvents used for each calendar year. These records shall be kept for a minimum of 3 years and be made available to the District on request. Solvents meeting the criteria of 2.b. or c. above do not contribute to the 55 gallon per year limitation.

V. Storage and Transfer Equipment and Operations

The following storage and transfer equipment and operations is exempt from permit requirements. Notwithstanding the listed exemptions, any collection of articles, machines, equipment or other contrivances within each listed equipment category at a stationary source that has aggregate emissions in excess of 10 tons per calendar year of any affected pollutant is not exempt. Containers, reservoirs, tanks, sumps or ponds with a capacity of 55 gallons or less are exempt and do not count towards the 10 ton per year aggregation threshold.

- 1. Unheated storage of liquid organic materials, except refined fuel oils, with an initial boiling point of 300°F or greater at one atmosphere pressure.
- 2. Storage of refined fuel oils with a gravity of 40°API or lower as determined by ASTM D-4057.
- 3. Storage of lubricating oils.
- 4. Storage of organic liquids except gasoline, normally used as solvents, diluents or thinners, inks, colorants, paints, lacquers, enamels, varnishes, liquid resins or other surface coatings, and having a capacity of 1,500 gallons or less.
- 5. Storage of liquid soaps, liquid detergents, vegetable oils, waxes or wax emulsions.
- 6. Storage of asphalt.
- 7. The storage of gasoline (defined as any petroleum distillate having a Reid vapor pressure of 4.0 pounds per square inch or greater) having a capacity of less than 250 gallons.
- 8. Storage of liquefied or compressed gases which do not exceed Gas Processors Association specifications for maximum volatile sulfur content of commercial grade liquefied petroleum gas.
- 9. Tanks, vessels and pumping equipment used exclusively for the storage or dispensing of fresh commercial or purer grades of:
 - a. Sulfuric acid with an acid strength of 99 percent or less by weight.
 - b. Phosphoric acid with an acid strength of 99 percent or less by weight.
 - c. Nitric acid with an acid strength of 70 percent or less by weight.

10.	Closed loop transfer of rocket propellant from a tanker truck, cylindrical tank, or drum, to a satellite, satellite placement system, nutation control system, apogee kick motor, or any other non-booster segment of a space launch vehicle, provided there is no venting of vapors to the atmosphere during the propellant transfer.

RULE 203. TRANSFER. (Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised 4/17/1997)

A. Applicability

This Rule shall apply to any person transferring operation or ownership of permitted equipment.

B. Exemptions

None.

C. Definitions

See Rule 102 for definitions.

D. Requirements

1. Transfer of Permits

An Authority to Construct or Permit to Operate shall not be transferable, whether by operation of law or otherwise, either from one location to another, or from one piece of equipment to another, except for those items specifically noted on the permit as being portable and/or relocatable.

Any application to transfer a permit from one permit holder to another shall be accompanied by a filing fee as specified in Rule 210, Schedule F. A change in business name only is not a transfer and shall not be assessed a fee.

An application for the transfer of ownership only shall constitute a temporary Permit to Operate if authorized by Health and Safety Code Section 42301(f). The Control Officer shall approve an application for the transfer of a permit if all of the following requirements are met:

- a. the article, machine, equipment, or contrivance subject to the permit is in compliance with all applicable orders, rules, and regulations of the District, Air Resources Board and the Environmental Protection Agency;
- b. a written agreement or other written proof of transfer of ownership deemed sufficient by the Control Officer which specifies the date of ownership transfer has been submitted to the District;
- c. the permit has been reviewed by the District to determine that permit conditions are adequate to ensure compliance with, and enforceability of, District rules and regulations applicable to the article, machine or contrivance for which the permit was issued;
- d. where D(1)(c) has not been met, the Control Officer shall require that the permit be revised to specify the permit conditions necessary in accordance with all applicable rules and regulations; and
- e. all fees associated with the permit have been paid.
- 2. An application for transfer of a permit shall be filed within 30 days of change of ownership or operator.

RULE 204. APPLICATIONS. (Adopted 10/18/1971, revised 5/1/1972, readopted 10/23/1978, revised 7/1979, 8/8/1988 and 4/17/1997)

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate.

B. Exemptions

None.

C. Definitions

See Rule 102 for definitions.

D. Requirement - Permit Application Completeness

Every application for an Authority to Construct or Permit to Operate required under Rule 201 shall be filed in the manner and form prescribed by the Control Officer, and shall give all the information necessary to make the determination required for the issuance of a permit. This information includes, but is not limited to, analyses, plans, or specifications which will disclose the nature, extent, quantity or degree of air contaminants which are, or may be, discharged by the source for which the permit was applied. The Control Officer may, during the processing of the application request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application. The application shall be submitted and all information therein shall be attested to be accurate to the best knowledge of the applicant.

E. Requirements - Information Required

1. General Information

- a. This section outlines information required of applicants seeking permits to construct or modify pollution sources or control devices and specifies time frame for processing required of the District. All information required pursuant to District Rules and Regulations, and specified by the Control Officer on a list(s) maintained pursuant to Government Code Section 65940, shall be submitted before an application can be considered to be complete.
- b. The information requirements are divided into five parts. Section E.2 of this rule identifies the information required of all applicants seeking permits. Section E.3 of this rule identifies additional information required for applications where Best Available Control Technology, but not Air Quality Impact Analysis, is mandatory. Section E.4 of this rule identifies further information required for applications where Air Quality Impact Analysis is mandatory. Where a modified source is subject to Best Available Control Technology or Air Quality Impact Analysis, some of the information required in this rule may also be required for the existing portion of the facility. Section E.5 of this rule identifies emission offset information requirements and Section E.6 of this rule identifies health risk assessment information requirements.
- c. The District urges all applicants to discuss their projects with our staff prior to the filing of applications. If ambient monitoring data is needed, these discussions should take place more than a year prior to application. For some projects, it may not be necessary to submit all the information listed to have an application deemed complete. Consultation with District staff will expedite the process by identifying the specific information that will be required of an applicant.

- d. Prior to filing an application with the District, when applicable, all applicants are urged to participate fully in the early stages of the environmental review process being undertaken by the lead agency for the applicant's project in order: (1) to be apprised of the applicable air quality and other environmental constraints, and (2) to make such project modifications as may be necessary to satisfy those constraints.
- e. Results of all analyses and tests submitted to the District shall be calculated and reported at standard conditions. Such results shall contain sample calculations that verify standard conditions.
- f. An applicant seeking an exemption provided for in any rule or regulation of the District must supply the Control Officer with all information necessary, including applicable emission calculation sheets, to determine whether such an exemption applies.
- g. Where offsets are required and the applicant proposes to obtain them from the Source Register, the applicant shall obtain them prior to Authority to Construct approval in accordance with Regulation VIII and Section E.5 of this Rule.

2. Information Required - Applications

All applications for an Authority to Construct shall be accompanied by information sufficient to make a completeness determination. The Control Officer shall maintain a list(s) pursuant to Government Code Section 65940 specifying information required of an applicant for a permit. The District will provide the applicant with one or more lists which specify in detail the information required and will indicate the criteria which the District will apply in order to determine application completeness.

3. Information Required - Best Available Control Technology

All applicants for an Authority to Construct which require Best Available Control Technology shall submit the following:

- a. Best Available Control Technology Nonattainment Review
 - Individual Best Available Control Technology determinations pursuant to Rule 802 must address air pollution controls for each pollutant subject to review at a stationary source. It is the applicant's responsibility to submit a Best Available Control Technology proposal for evaluation by the District.
 - Justification of selected control technology as Best Available Control Technology.
 - Documentation of technical infeasibility which would preclude the use of a more effective control technology;
 - 4) Operating conditions at which the maximum daily and hourly emissions will be generated (baseline parameters).
 - 5) Maximum daily and hourly emissions at the conditions, described in (4) above, for each potential control technology and the basis of how the emission rates were estimated.

- 6) Calculations, emission data, and/or other information to determine control effectiveness (percent pollutant removed) of each potential control technology.
- 7) Emission limits shall be expressed both in terms of an emissions cap (e.g. pounds per day) and in terms which ensure compliance at any operating capacity (e.g., pounds per million British thermal units, or parts per million by volume). Where appropriate, on a case-by-case basis, emission limits may be expressed in alternate terms for determining compliance with the Best Available Control Technology Standards. The source must comply with both limits to demonstrate compliance.
- 8) Applicants shall describe how the selected Best Available Control Technology is to be monitored for its emission reduction effectiveness.
- b. Best Available Control Technology Information Prevention of Significant Deterioration Requirements

In addition to the requirements of Section E.3.a. of this Rule, sources which trigger Best Available Control pursuant to Rule 803 shall submit the following information. The District shall consider technical feasibility and energy, environmental (cross-media) and economic impacts in evaluating an applicant's Best Available Control Technology proposal:

- 1) A comprehensive list of potential control technologies;
- A ranking of potential control technologies by control effectiveness (percent pollutant removed) in accordance with the Environmental Protection Agency's Top-Down procedure;
- 3) Itemized capital cost, including installation and/or modification cost for each proposed control technology;
- 4) Itemized annual operating cost, including fuel cost for each proposed control technology;
- 5) Energy impacts of each proposed control technology (British thermal units, kilowatt hours);
- 6) Estimated equipment life and its salvage value.
- 4. Information Required Air Quality Impact Analysis
 - a. All applicants for an Authority to Construct new or modified sources which require an Air Quality Impact Analysis shall submit the following:
 - 1) A description of any monitoring stations that may be installed by applicant.
 - 2) Sufficient data, approved by the Control Officer consistent with the Air Quality and Meteorological Monitoring Protocol for Santa Barbara County, California, to perform an air quality impact analysis from all emission release points including fugitive emissions. The data shall include:

- At least one full calendar year (twelve consecutive months) of meteorological data consistent with Appendix W of 40 CFR 51 Guideline on Air Quality Models.
- b) Topographical data including receptor points by Universal Transverse Mercator coordinates and map of receptor points and source.
- c) At least one full calendar year (twelve consecutive months) of recent air quality background data from the last 3 years prior to application completeness.
- d) Computer modeling data:
 - (1) Mass emission rate and stack concentration of air pollutants.
 - (2) Stack diameter.
 - (3) Stack location in Universal Transverse Mercator coordinates.
 - (4) Stack height above ground level.
 - (5) Exhaust temperature.
 - (6) Exhaust velocity.
 - (7) Exhaust flow rate (volumetric).
 - (8) Buildings whose wakes may affect the plume of the stack, including Universal Transverse Mercator coordinates of building.
 - (9) Dimensions (length, width, height) of the buildings identified above.
 - (10) Maximum modeled concentration of air pollutants for all averaging times of concern and all applicable receptors of concern.
 - (11) Model used to perform air quality impact analysis.
 - (12) Model input and output files on computer diskette and hardcopy.
 - (13) Name, address, telephone number, and qualifications of company and/or person who performed air quality impact analysis.
 - (14) Terrain description and effects.
- 3) Identify all facilities within the air basin that are owned or operated by the applicant and the compliance status of each.
- 4) Power Consumption of Facility (for PSD permits only)
 - a) Total amount of electrical power to be consumed by the new facility or the increase in the amount of electrical power to be consumed due to the modification.
 - b) Percentage of electrical power provided by off-site generating facilities; identify the source of power.
- 5) Cargo Carriers

List the frequency of visits, describe types and sizes of all cargo carriers (other than motor vehicles), identify nature of cargo, and conditions under which the cargo is transferred.

- 6) For major stationary sources, provide an analysis of alternative sites, sizes, production processes, and environmental control techniques for the proposed source that compares the benefits of the proposed source to its environmental and social costs.
- 5. Information Required Description of Emission Reduction Credits to be Used as Offsets

If offsets are required for the project, then information sufficient to determine the adequacy of Emission Reduction Credits must be submitted before an Authority to Construct application will be deemed complete. In addition, Emission Reduction Credits proposed for use must be documented in the following ways:

- a. If a source is proposed as an offset, the date of issue and number of the existing Permit to Operate and the complete application for the Emission Reduction Credits.
- b. If the Emission Reduction Credits proposed for use have been registered by the District, the Emission Reduction Credit certificates identifying numbers and date of issue shall be included in the Authority to Construct application. Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, price paid per ton per pollutant, and the total cost per pollutant.
- c. If the Emission Reduction Credits proposed for use are not owned by the applicant, a letter from the owner of the Emission Reduction Credit certificates stating that the Emission Reduction Credits will be available at least two weeks before the Authority to Construct is issued. Alternatively, an applicant may provide a copy of the contract to obtain Emission Reduction Credits that is signed by the Emission Reduction Credit provider and by the applicant and which names the District as a third party beneficiary. Pursuant to Health and Safety Code Section 40709.5(e), the applicant shall specify the year in which the applicant obtained the Emission Reduction Credit, the price paid per ton per pollutant, and the total cost per pollutant.
- d. List proposed mitigating measures:
 - 1) Air pollution control equipment proposed.
 - 2) Process changes or operations utilized to reduce emissions.
 - 3) Other.
- e. Identify any air quality impacts from any precursor-secondary pollutant relationships.
- 6. Information Required Health Risk Assessment.

The Health Risk Assessment shall be consistent with methodology approved by the California Air Pollution Control Officers Association Air Toxics "Hot Spots" Program Revised 1992 Risk Assessment Guidelines, prepared by the Toxics Committee of the California Air Pollution Control Officers Association, October, 1993, or most recent version, and shall address the following:

- a. Unit risk factors used in determining lifetime cancer risk.
- b. Population characterization (e.g., numbers, location, sensitive receptors).
- c. Exposure assessment (e.g., working hours, family relocation).

- d. Risk estimates for all parameters of concern, including multi-pathway analysis.
- e. Analysis of potential health effects of non-carcinogenic air pollutants.
- f. Map showing the receptor areas of concern drawn to scale with the sensitive receptors clearly marked. All applicants are encouraged to consult with the District staff as to an appropriate distance for health risk assessment.
- g. Name, address, telephone number, and qualifications of company and/or person who performed health risk assessment.
- h. Input and output computer files.

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RULE 205. STANDARDS FOR GRANTING PERMITS. (Adopted 10/18/1971, revised 5/1/1972, adopted 5/12/1973, revised 3/5/1975, 10/11/1976 and 6/26/1978, readopted 10/23/1978, revised 7/2/1979, 3/5/1984, 6/9/1986, 6/13/1988, 8/8/1988, 7/30/1991, and 4/17/1997)

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate,

B. Exemptions

None

C. Definitions

See Rule 102 for definitions

- D. The Control Officer shall deny an Authority to Construct or Permit to Operate, except as provided in Rule 206 if the applicant does not show that every article, machine, equipment or other contrivance, the use of which may cause the issuance of air contaminants, or the use of which may eliminate or reduce or control the issuance of air contaminants, is so designed, controlled, or equipped with such air pollution control equipment, that it may be expected to operate without emitting or without causing to be emitted air contaminants in violation of Sections 41700 or 41701 of the Health and Safety Code, or of these Rules and Regulations. No Authority to Construct, Permit to Operate or permit reevaluation shall be issued for any project unless that project's emissions are consistent with the Air Quality Attainment Plan and Clean Air Plan emissions inventory adopted by the Board. Notwithstanding any rule to the contrary, this Section shall apply to all applicants regardless of the date of their application and rules in effect on that date. Where applicable, project emissions shall be specified in pounds per million British thermal units, parts per million by volume, and pounds per hour.
- E. Before an Authority to Construct or a Permit to Operate is granted, the Control Officer may require the applicant to provide and maintain such facilities as are necessary for sampling and testing purposes in order to secure information that will disclose the nature, extent, quantity or degree of air contaminants discharged into the atmosphere from the article, machine, equipment or other contrivance described in the Permit to Operate. The platform and access for sampling shall be constructed in accordance with the General Industry Safety Orders of the State of California.

RULE 208. ACTION ON APPLICATIONS - TIME LIMITS. (Adopted 10/18/1971, readopted 10/23/1978, and revised 4/17/1997)

A. Applicability

This rule shall apply to any person applying for an Authority to Construct or a Permit to Operate.

B. Exemptions.

This Rule shall not apply to any person applying for a permit pursuant to Regulation XIII.

C. Definitions

See Rule 102 for definitions.

D. Requirements - General - Application Form and Completeness

- 1. Every application for a permit required under these Rules and Regulations shall be filed in a manner and form prescribed by the Control Officer and shall include information necessary to enable the Control Officer to make a determination required by Rule 205 and any other standard applicable to the granting or denial of permits.
- 2. Not later than 30 days after receiving an application for a permit required by these Rules and Regulations, the Control Officer shall determine, in writing, whether the application is complete and shall immediately transmit the determination to the applicant.
- 3. Where an application has been deemed incomplete pursuant to (D)(2), upon receipt of any resubmittal or additional information a new 30 day period shall begin during which the Control Officer shall determine the completeness of the application. If the Control Officer determines that the application is still not complete, the applicant may appeal that determination to the Board. The Board shall make its written determination within 60 days after receiving the applicant's appeal. Pursuant to Government Code section 65943(c), if such determination is not made within that 60 day period, the application with the submitted materials shall be deemed complete. Appeals will be assessed a fee based on the cost reimbursement provisions of Rule 210.
- 4. An application for an Authority to Construct or Permit to Operate shall be denied 120 days after the date of filing if the applicant has not submitted sufficient information to enable the Control Officer to deem it complete, unless the Control Officer has, in writing, extended the time. A permit application shall not be denied during the pendency of an appeal to the Board pursuant to (D)(3).
- 5. An applicant and the Control Officer may mutually agree in writing to extend any time limit provided for in this subsection.

E. Requirements - Authority to Construct

- 1. Unless a shorter time period is specifically provided in these Rules and Regulations or in Division 26 of the Health and Safety Code or other applicable State or federal law, the time limits of the Permit Streamlining Act, Government code section 65920 et seq., shall apply to any application for an Authority to Construct.
- 2. At the request of the applicant, the District shall commence processing a permit application prior to final action on the development project by the lead agency to the extent that information

- necessary to commence the processing is available. If, as a result of the final lead agency action, the project description in the submitted permit application is changed in a way that affects emissions of air pollutants, then the applicant may be required to submit a new permit application.
- 3. Large Sources. The Control Officer shall act within 180 days from the date an application for an Authority to Construct permit has been deemed complete or 180 days after the approval of the project by the lead agency, whichever period of time is longer, and shall notify the applicant in writing of the approval, conditional approval or denial of the application.
- 4. Medium Sources. The Control Officer shall act within 90 days from the date an application for an Authority to Construct has been deemed complete or 90 days after lead agency approval, whichever period of time is longer, and shall notify the applicant in writing of the approval, conditional approval or denial of the application.
- 5. Small Sources. An applicant for a small source may apply simultaneously for an Authority to Construct/Permit to Operate. The Control Officer shall act within 30 days from the date an application for an Authority to Construct/Permit to Operate has been deemed complete and shall notify the applicant in writing of the approval, conditional approval or denial of the application. For good cause, the Control Officer may determine that an Authority to Construct/Permit to Operate shall not be issued simultaneously to an applicant for a small source, in which case, the time limits and procedures for medium sources shall apply.
- 6. Notwithstanding any other provision in this Rule, if an Environmental Impact Report or Negative Declaration is required for a project for which the District is the lead agency, the time limits specified in Government Code section 65950 shall apply.
- 7. Projects subject to Health and Safety Code Section 42314.2 may receive additional extensions as authorized by that section.
- 8. The Control Officer may extend any time limit prescribed by this subsection up to the maximum time limit authorized by State law or required by federal statute or regulation. If the Control Officer fails to take action on or extends the time limit prescribed by this subsection for action on an application for Small or Medium sources, the applicant may request the Board set a date certain on which the permit will be acted upon by the Control Officer, provided the applicant provides written notice to the Control Officer 7 days prior to filing the request. The request shall be filed in accordance with the filing requirements adopted by the Board and heard at the next regularly scheduled meeting in accordance with such filing requirements.
- 9. A small modification at a large or medium source, where the modification does not trigger any NSR (BACT, AQIA, offsets) requirements, may be considered on a case-by-case basis for small source permit processing pursuant to Section E.5 of this rule.

F. Requirements - Permits to Operate

1. Large Sources. The Control Officer shall act within 120 days from the date an application for a Permit to Operate has been deemed complete and shall notify the applicant in writing of the approval, conditional approval or denial of the application. The Control Officer may at any time request further information, plans or specifications from the applicant. The 120 day time limit may be extended by written agreement executed by the Control Officer and the applicant. If the Control Officer shall fail to act within the said 120 days, or any extension thereof by written agreement, the applicant may optionally deem the application denied for the purpose of appeal.

2.	Medium Sources. The Control Officer shall act within 60 days from the date an application for a Permit to Operate has been deemed complete and shall notify the applicant in writing of the approval, conditional approval or denial of the application.

In the Superior Court of California In and for the County of Santa Barbara

In the matter of:

County Our Pollution

PROOF OF PUBLICATION

(2015.5 C.C.P)

STATE OF CALIFORNIA

County of Santa Barbara}

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Santa Barbara News-Press, a newspaper of general circulation, printed and published daily in the City of Santa Barbara, County of Santa Barbara, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Santa Barbara, State of California, under date of June 9, 1952,10838 Case Number 47171; that the notice herein mentioned was set in type not smaller than nonpareil and was preceded by words printed in black-face type not smaller than nonpareil, describing in general terms the purport and character of the notice intended to be given; that the notice, of which the annexed is a printed copy, has been published in each regular issue of said Santa Barbara News-Press on the following dates, to-wit:

Mus March 13, 1997

all in the year 1997 I hereby certify (or declare) under penalty of perjury that that foregoing is true and correct.

Executed on this day of April 1997 at Santa Barbara, CA.



NOTICE OF PUBLIC HEARING The Part of the Pa

Proposed Revisions to Regulation II (Permits) and Rule 102 (Definitions) LAMER Proposed New Regulation VIII (New Source Review) Amendment of the 1991 Air Quality Attainment Plan

11 11 11 Thursday, April 17, 1997 - Approximately 2:00 p.m. MANAGE TO THE BOAR Board of Supervisors Hearing Room 105 East Anapamu Street Santa Barbara, California

The Santa Barbara Air Pollution Control District (APCD) Board of Directors will hold a public hearing to accept comments and consider adoption of thirteen proposed rules which will overhaul the APCD's Permitting and New Source Review rules. Minor housekeeping revisions to seven other APCD rules are proposed which will correct superseded references. The state of the s

Who is affected:

ho is affected: All businesses and air pollution sources permitted by the APCD; all proposed, new, and modified air pollution sources needing an APCD permit; and any business or source of air pollution seeking an exemption from permit requirements will be affected by the proposed changes.

About the proposed changes:

The proposed New Source Review revisions are a comprehensive overhaul of the existing APCD rules governing permits for new or modified stationary sources of air pollution. New Source Review is a system designed, through the use of permits, to reduce air pollution by requiring emission controls such as Best Available Control Technology (BACT) and emission offsets. Some of the changes are based on the mandatory requirements of the 1990 Federal Clean Air Act Amendments, the 1988 California Clean Air Act revisions and permit streamlining legislation. Other changes are discretionary under APCD efforts to attain and maintain good air quality while allowing for healthy economic growth. Major revisions are proposed to the definition of Net Emission Increase (the quantity by which BACT, offsets or enhanced review (AQIA) is triggered), the triggers for BACT, offsets, enhanced review and offset ratios. New programs include a proposed emission reduction credit system and expedited permit processing.

The amendment to the 1991 AQAP would modify the offset ratios to be consistent with proposed Regulation VIII.

Pursuant to the California Environmental Quality Act (CEQA), the APCD has released an Environmental Impact Report. The comment period opened on February 7, 1997 and will close on March 26, 1997.

the first of the second of the second A copy of the proposed rules and the Environmental Impact Report may be reviewed at the following locations:

Santa Barbara County APCD 26 Castilian Drive, B-23 Goleta, California 93117 (805) 961-8800

County Clerk's Office 401 East Cypress, Ste. 101 Lompoc, California 93436 (805) 737-7705

Santa Barbara County APCD 240 East Hwy. 246, Ste. 207 Buellton, California 93427 (805) 686-5012

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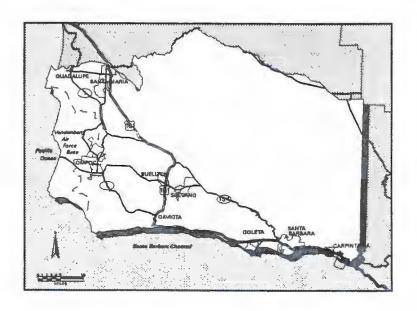
County Clerk/Recorder 511 E. Lakeside Parkway, Ste 115 Santa Maria, California 93455 (805) 346-8378

For more information, please contact Tad Bixler (805) 961-8896 regarding Regulation VIII, Rule 102 and housekeeping revisions; contact Bette Easton (805) 961-8898 regarding Regulation II, or write Rule Development Section, Santa Barbara County APCD, 26 Castilian Drive, B-23, Goleta, California

> 748 Published Thursday, March 13, 1997

SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT

REVISED STAFF REPORT



Revised Staff Report for

Proposed Rule Changes to

Rule 102. Definitions
Regulation II. Permits
Regulation VIII. New Source Review

Final Printed April 22, 1997

Adoption Hearing: April 17, 1997

Santa Barbara County

Air Pollution Control District

DOUGLAS W. ALLARD Air Pollution Control Officer

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1. Executive Summary

1.1 Introduction

The Santa Barbara County Air Pollution Control District (APCD) is proposing to modify the rules which implement the APCD permitting process. Regulation II (Permits) and VIII (New Source Review) are the APCD's permitting program. These two regulations:

- Require permits for activities that emit or affect air pollutants (Rule 201)
- Designate which sources need permits and which are exempt (Rule 202)
- Stipulate how permits may be transferred from one owner to another (Rule 203)
- Describe information required on a permit application (Rule 204)
- Establish standards for granting permits (Rule 205)
- Implement permit streamlining legislation (Rule 208)
- Implement federal and state laws regarding the permitting of new and modified sources (Regulation VIII)
- Implement an air pollution emission reduction credit source register(Rule 806)

1.2 Permitting Programs Overview

Permitting programs are primarily intended to provide a mechanism for air pollution control agencies to ensure compliance with air pollution control standards. The permitting process allows the APCD to review a company's proposed plan to construct a source of air pollution, analyze the potential air pollution emissions which the proposed facility will produce, and impose emission limitations. The APCD permit contains conditions which stipulate the parameters under which the source must operate in order to remain in compliance with the rules. Also, the permit enables the APCD to keep track of the location, number and size of air pollution sources so that pollution control strategies are based on sound information.

Regulation II establishes the basic permitting system applicable to all stationary sources of pollution in the county. In addition to complying with Regulation II, certain new or modified sources must also comply with Regulation VIII: New Source Review. The objective of Regulation VIII is to:

• Prevent the degradation of air quality from air pollution generated by both new sources of air pollution and modifications of existing sources of air pollution and to ensure that they do not interfere with attainment and maintenance of air quality health standards.

- Establish certain threshold levels of air pollution emissions above which the installation of Best Available Control Technology, the acquisition of offsets, and/or the completion of an Air Quality Impact Analysis may be required.
- Specify how increases in both non-attainment pollutants and attainment pollutants are permitted.
- Establish provisions which allow for the banking of emission reductions to be used to offset future emissions growth.

1.3 Overview of the Major Changes

The draft revisions to Regulations II and VIII encompass substantial changes to 13 different rules. Many of the changes are administrative in nature. Current Regulation II includes both general permitting and new source review requirements. To improve clarity and readability, Regulation II was divided into two separate regulations. Proposed Regulation II now covers basic permitting requirements while proposed Regulation VIII contains New Source Review. The proposed rule revisions contain a number of important regulatory changes. The major changes, and their implications to the regulated sources of air pollution are summarized in Table 1.1. Full text of the proposed revisions is given in the Attachment.

The following text discusses the major rule changes listed in Table 1.1.

Rule 201. Permits.

A proposed provision has been added to Rule 201 that makes it clear that the Air Pollution Control Officer may issue a combined authority to construct and permit to operate permit. The issuance of a combined authority to construct and permit to operate will eliminate one entire permitting cycle.

Rule 202. Permit Exemptions.

Staff is proposing three major changes to the APCD's permit exemption rule: caps on the amount of emissions allowed, elimination of the exemption for drill rigs, and the addition of a number of new equipment/activity exemptions.

Under the present rule, certain equipment/activities are exempt from permit provided emissions from such equipment do not exceed 150 pounds per day. In the proposed revisions the 150 pounds per day limit per listed equipment category is lowered to 10 tons per year except for combustion equipment which has a 25 ton per year gatekeeper. The new exemption for the semiconductor industry has a one ton per year gatekeeper. An option has been added that allows sources to use actual emissions with recordkeeping or potential to emit without recordkeeping of usage for determining if a piece of equipment qualifies for exemption.

Table 1.1
Implications of Major Rule Changes

Rule	Change	Cost to Regulated Community ¹	Impact on APCD Program Effectiveness ²	Impact on APCD Fee Revenues	Impact on APCD Staffing-Startup ³	Impact on APCD Staffing-Ongoing
201	Combined Authority to Construct Permit to Operate for small sources	Decrease	Positive	Decrease	Increase	Decrease
202	Decrease in the size of aggregate exemption limit per equipment category	Increase	Positive	Increase	Neutral	Neutral
202	Addition of new exemptions	Decrease	Positive	Decrease	Neutral	Decrease
202	Eliminate the exemption for drill rigs	Negligible	Increase	Increase	Neutral	Increase
208	Permit streamlining, reduced processing times	Decrease	Positive	Neutral	Increase	Decrease
802	Change in the emission growth allowed before Best Available Control Technology for nonattainment pollutants is triggered	Decrease	Positive	Neutral	Increase	Neutral
803	Change in the emission growth allowed before Best Available Control Technology for attainment pollutants is triggered	Decrease	Positive	Neutral	Increase	Neutral
802	Change in the emission growth allowed before emission offsets are required for nonattainment pollutants	Increase ⁴	Negative	Increase	Increase	Neutral
803	Change in the emission growth allowed before emission offsets are required for attainment pollutants	Decrease	Neutral	Decrease	Increase	Neutral
802	Change in emission offset ratios	Neutral	Negative	Neutral	Neutral	Neutral
806	Emission reduction credits (source register)	Neutral	Neutral	Increase	Increase	Increase
Total	Sum of all changes	Decrease	Increase	Neutral	Increase	Neutral

This column indicates the likely direct impact of the proposed change on sources directly affected by the change from the perspective of the source.

This column refers to the effect of the proposed change on the APCD's regulatory program as a whole. For example, adding exemptions for insignificant equipment will allow the APCD to emphasize larger sources that generate the majority of pollution generated by stationary sources resulting in a better and more efficient overall regulatory program.

This column indicates those changes where startup staff labor will be required to implement the change.

The emission growth trigger for nonattainment pollutants was changed in several ways. For the largest sources that have experienced emission growth since 1979, the changes will allow more source growth than allowed under the current rule. However, this condition applies only to a handful of sources. For most sources the proposed changes will reduce the emission growth allowed before emission offset requirements are triggered.

Staff is proposing to eliminate the exemption for drill-rigs because staff believes that drill rigs are a significant source of pollution and should be regulated either by the state's registration program or by APCD permit (sources have the option of registering with the state or complying with local district permit requirements).

Staff is proposing a number of new equipment/activity exemptions. For example, exemptions are proposed for engines used to power amusement rides, emissions from temporary equipment, and a number of semiconductor manufacturing and military/commercial space activities.

Rule 208. Action on Applications - Time Limits

Draft Rule 208 implements state mandates for streamlining the permit process for small and medium sized sources of air pollution. Essentially, this rule establishes time limits for permit processing depending on the size and complexity of the proposed source. For example, the processing time limits for the APCD to take final action on authority to construct applications for qualifying "medium" and "small" sources is reduced from 180 days to 90 and 30 days, respectively. The intent of the regulatory change is to implement a streamlined permitting process for sources where there is minimal variation from facility to facility (for example, gas stations, dry cleaners, and auto body shops). The proposed rule change should reduce the time and effort required by industry to obtain permits and hence reduce overall permit costs.

Rules 802. Nonattainment Review

Rule 802 contains the APCD's permitting requirements applicable to new or modified sources of nonattainment pollutants. In general, new source review programs reduce pollution by requiring new or modified facilities to be constructed with highly effective emission control equipment (Best Available Control Technology) and to offset emission increases with emission reductions from existing sources either on or off site. Because these two programs are generally costly, new source review requirements are reserved for larger sources of air pollution.

In response to a state mandate, staff is proposing to increase the amount of emission growth allowed before a source must install Best Available Control Technology. The current emission trigger is a net emission increase resulting from a new or modified source of 2.5 pounds hour or more since 1979. This means that the permitted emission increases and decreases at each source are summed since 1979, and if any new or modified source results in an emission increase of 2.5 pounds per hour or more, the new source or modification must be constructed using Best Available Control Technology.

Staff is proposing to replace this trigger with a potential to emit of 25 pounds per day for a new source or per project for a modified source. Thus, emissions from the "modified source" is being replaced with emissions from the "project¹," "net emission increase" is being replaced with "potential to emit," and the 2.5 pounds per hour trigger is being

A definition of "project" is given in Rule 801.C.

replaced a with 25 pounds per day trigger. While this proposed revision to the BACT trigger could be viewed as less stringent than the current definition, in practice, the current rule as implemented often leads to a determination that only a RACT level of control should be required for small modifications to existing small and medium sources. The proposed change in APCD rules roughly achieves the same result but avoids the necessity of doing a cost analysis by staff prior to determining that RACT control levels are justified due to the cost of implementing the most efficient technology.

Staff is proposing to lower the threshold for requiring emission offsets. The current triggers are based on a net emission increase resulting from a new or modified source since 1979 of 10 pounds per hour, 240 pounds per day, or 25 tons per year; except for PM-10 where the triggers are 10 pounds per hour, 80 pounds per day, or 15 tons per year. The proposed triggers are a net emission increase since 1990 of 55 pounds per day or 10 tons per year, except for PM-10 where the limit is 80 pounds per day or 15 tons per year. This change is also motivated by a state law¹.

The proposed changes to the offset requirements both increase and decrease offset requirements compared to the current rule. Moving the baseyear from 1979 to 1990 will forgive emission growth that occurred during this period from inclusion in the value of "net emission increase," and will therefore allow increased growth compared to the current rule. Conversely, the reduction in the offset trigger amount from 25 tons per year to 10 tons per year will decrease the amount of growth allowed before offsets are triggered. On balance, the two changes will be less restrictive for a handful of larger sources, and potentially more restrictive for many other smaller sources. Again, this is a mandated change and was designed to be the least restrictive overall method for complying the with state law.

Eliminating the hourly offset threshold will reduce the probability of a source triggering offsets. The probability of a source exceeding any emission threshold will generally increase as one moves to shorter averaging times. For example, the emissions from a source that uses batch operations will be very high during the hours when the operation is underway, and very low at other times. The elimination of a hourly emission limit by itself therefore represents a relaxation of the current rule. However, when coupled with the lower offset threshold and other changes, the use of daily triggers is not expected to result in increased emissions.

Rule 803. Prevention of Significant Deterioration

Like nonattainment review (Rule 802), Rule 803 contains two primary emission control requirements: Best Available Control Technology and emission offsets. Staff is proposing to change the amount of emission growth that triggers Best Available Control Technology for attainment pollutants. The current trigger is based on the net emission increase of a new or modified source since 1979 and is expressed in pounds per hour. The proposed triggers replace 1979 with 1990 as the baseline year, and replace the hourly triggers with daily triggers (for example from five pounds per hour to 120 pounds per day).

State Health and Safety Code 40918.

Generally, the proposed revision will allow more growth before a source triggers Best Available Control Technology requirements. The change in the baseyear from 1979 to 1990 eliminates emission growth a source may have experienced from 1979 to 1990 from net emission increase¹. The change in trigger from pounds per hour to pounds per day should also reduce the probability of a source triggering Best Available Control Technology requirements. Similar to the proposed changes to Rule 802, the changes proposed here should tend to limit application of Best Available Control Technology to larger emission increases. The impact of this change is limited by the fact that most attainment pollutants are precursors to non-attainment pollutants (i.e., ROC and NOx are precursors to Ozone and SOx is a precursor to PM10).

The proposed changes to the emission offset trigger are similar to those changes proposed for Best Available Control Technology: The baseyear for net emission increase was changed from 1979 to 1990 and hourly triggers are replaced with daily triggers. These changes will tend to limit the application of emission offsets to larger emission increases².

Historically, the requirements of the APCD's new source review rules applicable to attainment pollutants are not often invoked. This fact is due to two primary reasons. First, most of the attainment pollutants are precursors to nonattainment pollutants. For example, reactive organic compounds and oxides of nitrogen are precursors to ozone, and oxides of sulfur is a precursor to PM10. Secondly, the new source review thresholds for attainment pollutants are much higher than for nonattainment. As the county continues to make progress towards attainment of all pollutants, the importance of Rule 803 will grow in the future.

Rule 806. Emission Reduction Credits

Emission Reduction Crediting is a system by which emission reductions from shutdowns or from controls which were not required as part of an attainment or maintenance demonstration may be stored as credit or "registered" for use later as offsets or for sale to other companies needing offsets. Current APCD rules do not allow emission reductions for later use or sale. The proposed rule establishes an emission reduction credit registration system. Allowing the registration of emission reduction credits will provide new or modified sources that need emission offsets with a source of offsets, and may facilitate growth in the county.

Current District Rules that Reference Existing Rule 102 or Regulation II

In addition to changes to Rule 102 and Regulation II and the adoption of Regulation VIII, staff is proposing modifications to existing APCD rules to update references to Rule 102 and Regulation II as appropriate. A table of the proposed changes is provided in Section 6.4 of this Staff Report.

This applies only to those sources that had a permit to operate as of November 15, 1990. If a source had an authority to construct but not a permit to operate, its net emission increase would not be eliminated.

Very few sources have ever triggered offsets for nonattainment pollutants, and even fewer (one) have ever triggered offsets for attainment pollutants.

Amendment to the 1991 Air Quality Attainment Plan

As a part of this rule making effort, staff are proposing to modify the Air Quality Attainment Plan to delete the recommendation given in the 1991 Air Quality Attainment Plan that the minimum offset ratio for sources needing offsets be increased from 1.2 to 1 to 1.5 to 1. This change is not significant because the minimum ratio offers full mitigation and a reasonable net air quality benefit, and the proposed ratio increases from 1.2 to 1 to 1.5 to 1 when the source of the offsets is located more than 7.5 miles from the new or modified source.

1.4 Cost Implications

Cost implications of the proposed revisions are highlighted below and discuss the implications of the proposed revisions on the regulated community in aggregate.

1.4.1 Effect on the Regulated Community

<u>Permit processing times.</u> The proposed changes should reduce permit processing times in aggregate by accomplishing the following.

- Reduced permit processing times. The proposed revisions implement a state mandated permitting program, which requires the APCD to more quickly issue permits (authority to construct permits and permits to operate) for qualifying sources.
- Combined permits. The proposed revisions also afford large sources making small modifications the ability to obtain a combined authority to construct and permit to operate thereby eliminating one entire permitting cycle.
- Less complex permits. The addition of new exemptions and increases in the emission increase thresholds for Best Available Control Technology (for nonattainment and attainment pollutants) and emission offset requirements (for attainment pollutants) will result in less complex permits and permit requirements which should facilitate the issuance of permits.

Overall, staff expects the proposed changes to reduce the average time it takes the APCD to issue a permit. It is difficult to provide a quantitative assessment because this would require the APCD to estimate the location, size, and type of future permitting activity.

<u>Permit requirements</u>. The proposed revisions change a number of permitting requirements. Staff expects that these changes will affect the cost industry incurs complying with the APCD's permitting program in a number of ways.

• New exemptions will reduce recordkeeping and reporting requirements.

- The increase in the amount of emission growth allowed before Best Available Control Technology (for sources of both attainment and nonattainment pollutants) and emission offset requirements (for attainment pollutants) are triggered will reduce the capital costs, permit processing costs, and the cost of emission offsets which industry incurs complying with these requirements.
- The change from hourly to daily emission thresholds for New Source Review requirements as a whole will reduce the costs industry incurs complying with recordkeeping and reporting requirements.
- The emission reduction credit registration system may allow new or modified sources the ability to obtain emission reductions at a lower cost than would otherwise be available.

APCD staff expects that in sum the revisions will lower the cost of the APCD's permitting and new source review program to the regulated community as a whole.

Fees. Possible implications of the proposed rule changes on fees are highlighted below.

- New exemptions will reduce permit, reevaluation, and emission based fees.
- The increase in the amount of emission growth allowed before Best Available Control Technology (for sources of both attainment and nonattainment pollutants) and emission offset requirements (for attainment pollutants) are triggered will reduce the number of new and modified sources subject to these complex permitting requirements. Less permit complexity will result in lower permit costs for large sources which are subject to reimbursable fee provisions.
- The increase in the emission growth allowed before Best Available Control Technology is invoked may result in slightly higher emissions and higher emission based fees.
- Additional emission reductions that result from the lower offset thresholds will result in lower emissions and hence reduced emission based fees for those sources that provide the emission reductions.

The emission reduction credit registration system will result in additional fees necessary for the APCD to evaluate and credit emission reductions as certified credits and to administer the source register.

In total, the proposed rule changes are expected to result in a slight decrease in overall district revenues.

1.4.2 Effect on District Staffing

Changes in APCD staffing levels that may result from the proposed revisions are comprised of two components: start-up and ongoing staffing requirements. Section 5 of this staff report lists those tasks the APCD will need to complete in order to implement the proposed revisions to Regulations II and VIII. Staff anticipates that 1.0 staff person will be needed over a six month period to develop the infrastructure necessary to successfully begin implementing the proposed rule changes. This staffing can be accomplished by short term internal reassignments in conjunction with the delay of accomplishment of other APCD goals.

Ongoing APCD staffing changes may result from the proposed changes to the APCD's permitting requirements.

- The proposed revisions allowing combined authority to construct and permit to operate applications and processing should reduce staff labor required to issue permits.
- The proposed revisions to Regulation VIII, including the revised Best Available Control Technology emission thresholds should reduce the number of sources subject to these requirements and hence APCD staff time required to assure sources fully comply with these requirements.
- The proposed new emission reduction credit registration system(new Rule 806) will require additional staff resources to implement and administer.

Providing a quantitative assessment of the effect of the proposed rule changes on APCD staffing would require information on exempt equipment and accurate predictions of the type and size of future growth. The APCD lacks information on exempt equipment for the simple reason that it is exempt. Detailed specifics of future source growth are beyond the APCD's predictive capabilities. Currently, there is not sufficient empirical data to make such an analysis. In general, the APCD's qualitative estimate is that the proposed changes will result in no change in the demand for labor required for permitting and compliance.

Because the proposed rule changes are not expected to increase staffing requirements, and APCD costs of administering its permitting program are currently adequately covered by existing fee rule provisions, staff is not proposing a revision to its fee rule at this time.

1.5 Comparisons to Other Local Districts

A summary comparison of the major regulatory elements of the proposed regulations to other local districts is given in Table 1.2. The areas selected for this evaluation are those local air districts in California which are adjacent to Santa Barbara County, or those with similar air quality problems. As indicated, there are some areas where the proposed revisions are more stringent than other districts, and others where the proposed revisions are less stringent.

1.6 Mandates

The proposed revisions address a number of new state and federal requirements. The most important of the additional requirements are highlighted below. Staff inserted references to applicable regulatory requirements in the text of the proposed rules, as bracketed comments to clarify mandated changes. For additional information on regulatory requirements, please refer to the draft rules (Attachment).

Table 1.2 Comparison of Key Provisions of the Proposed Revisions to Other Local District Rules

Regulatory Issue	Ventura	San Luis Obispo	Bay Area	San Joaquin	Monterey
Combined authority to construct/permit to operate	Yes	No	No	No	No
Permit Exemptions	Ventura has fewer	SLO has fewer	Bay Area has fewer	San Joaquin has fewer	Monterey has fewer
Exemption for drill rigs	Similar	SLO requires BACT but not offsets.	Bay Area exempts exploratory drill rigs	Similar	Similar
Permit Time Limits	Similar	Similar	Similar	Similar	Similar
Best Available Control Technology for nonattainment pollutants	Ventura is more restrictive	Similar	Bay Area is more restrictive	San Joaquin is more restrictive	Similar ¹
Best Available Control Technology for attainment pollutants	Similar	SLO is less restrictive ²	Similar	Similar	Similar
Emission offset thresholds for nonattainment pollutants	Ventura is more stringent	Similar ³	Bay Area is more stringent	San Joaquin is more stringent	Similar
Emission offsets thresholds for attainment pollutants	Ventura is less stringent ⁴	SLO is less stringent	Bay Area is less stringent	San Joaquin is less stringent	Monterey is less stringent
Emission offset ratios for nonattainment pollutants	Ventura is more stringent ⁵	SLO is less stringent	Bay Area is less stringent	San Joaquin is less stringent	Monterey is less stringent
Emission banking periodic renewals (five year renewals are proposed)	No	No	No	No	Annual

Less restrictive for PM-10 and SOx.

San Luis does not have delegation from USEPA to implement USEPA's Prevention of Significant Deterioration (Santa Barbara does). Therefore, while San Luis's limits may appear lower, more restrictive limits would be implemented in San Luis by USEPA.

Ventura and the other listed districts use "potential to emit" rather than "net emission increase" of a new or modified source as the basis for the offset trigger. APCD staff estimate that the proposed approach is consistent with the state mandate that requires no net increase in emissions from new or modified sources with a potential to emit of 25 tons per year or more.

Other districts do not establish specific offset emission thresholds for attainment pollutants.

Ventura dose not allow any emissions offset trading between certain areas.

- Amendments to the California Clean Air Act require the APCD to implement Best
 Available Control Technology for all new or modified stationary sources that have a
 potential to emit 25 pounds per day or more of any nonattainment pollutant and no net
 increase in emissions of nonattainment pollutants from all sources with a potential to
 emit more than 25 tons per year (Health and Safety Code Section 40918).
- In 1992, the California state legislature passed legislation requiring Districts to establish an emissions banking system (Health and Safety Code section 40709, et seq.).
- In 1992, the Air Pollution Permit Streamlining Act was enacted (Health and Safety Code Section 42320, et seq.). The Streamlining Act requires local air districts to implement an accelerated permitting program for small and medium sources.
- In 1994 the USEPA conducted a comprehensive assessment of the APCD's New Source Review Rule and identified a number of rule deficiencies. The revised rules address these issues.
- USEPA added pollutants subject to prevention of significant deterioration (attainment pollutant) new source review.
- The 1990 federal Clean Air Act requires that Best Available Control Technology determinations for attainment pollutants consider alternatives to air toxics compounds.
- The 1990 federal Clean Air Act requires that the permitting process for nonattainment pollutants assess alternative sites, sizes, production processes and environmental control techniques for "major" new or modified sources.
- USEPA staff reviewed the APCD's draft rule revisions and identified a number of deficiencies that need to be corrected in order for USEPA to approve the rule.
- Finally, the proposed revisions were prepared in response to the APCD Board's direction for greater permit streamlining and efficiency in the permitting process.

1.7 Public Review

The proposed revisions were publicly noticed in May of 1995 and four workshops were held in late May. Two in Santa Maria, and two in Goleta. In addition, staff held numerous meetings with industry groups and representatives and with environmental organizations. Numerous changes were made to the rules in response to public input received to date (please refer to Section 9.2).

Over the last two years, the APCD's Community Advisory Council (CAC), which meets monthly, has met 23 times on the proposed revisions to Regulation II and VIII. The CAC also established a subcommittee to facilitate its review, and the subcommittee met an additional 10 times.

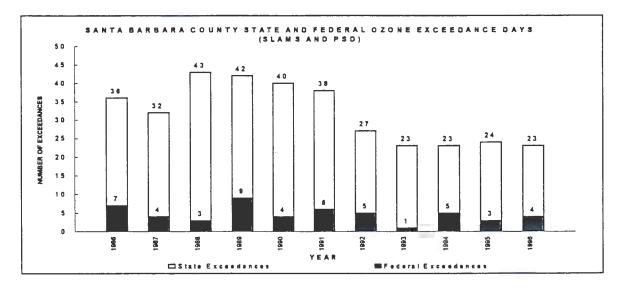
Out of these meetings the CAC identified over 100 issues where the CAC expressed some type of concern with the proposed regulations. Staff and the CAC have been able to come to agreement on all except two issues. These issues are given below:

- 1. The CAC recommended that the exemption for drill rigs be reinstated, and that the exemption be reevaluated once the state's portable equipment regulation is adopted (scheduled for March 27, 1997).
- 2. Staff disagrees and believes that drill rigs are a significant source of pollution and should be regulated either by the state's registration program or by APCD permit (sources have the option of registering with the state or complying with local district permit requirements).
- 3. The CAC recommended that new rule text at 201.D.2 be deleted. Text at 201.D.2 would subject dredges, pile driving equipment, pipe-laying barges, and derrick barges to permit. Similar to the concern above, the CAC concluded that it wanted to wait for the state's portable equipment registration program to be adopted before taking any action on the dredges, barges and pile driving equipment. The state subsequently approved the state's portable equipment registration regulation on March 27, 1997 and sources operating in state or federal waters are not eligible for registration. Staff recommends that this equipment be subject to permit and new source review because dredges, pipeline barges and pile driving equipment can be substantial emission sources for example, the 26,000 horsepower pipe-laying barge, "Lorelay" emitted 42 tons of Nox in six weeks of operation.

2. Background and Mandates

2.1 Regulatory Background

The State and federal governments have set health-based air quality standards for ozone at 0.09 and 0.12 parts per million respectively, measured over a one-hour period. Ozone is viewed as a regional pollutant because the formation process takes several hours. (Ozone is not emitted directly; it is formed in the atmosphere by a series of chemical reactions involving sunlight, oxides of nitrogen, and reactive organic compounds.) At present, Santa Barbara County does not attain either the State or federal ozone standards. Air quality in the county has exceeded the state ozone standard (0.09 parts per million) an average of 25 days per year for the period 1992-1995, and federal ozone standard (0.12 parts per million) an average of 4 days per year during this same period. The number of violations per year are depicted graphically in the figure below. The state ozone standard is more restrictive than the federal standard to be more protective of the public's health.



As these data suggest, the county has made significant progress towards attaining the state ozone standard. The county has in recent years been close to attainment of the federal ozone standard. In fact, recently APCD staff have submitted a reclassification request to the US Environmental Protection Agency to have the county reclassified as an attainment area for the federal ozone standard. However, a bad ozone season in 1995 has jeopardized the county's reclassification. It is therefore important for the county to make continued progress towards ozone standard if the reclassification is to be successful, especially in the next couple of years.

Documented human health effects due to exposure to ambient concentrations of ozone above 0.08 parts per million include decreased physical performance during strenuous work or other activity, acceleration of the loss of lung capacity associated with aging, reduced ability to fight infection, aggravation of chronic respiratory and other diseases, and

increased asthma attacks¹. The medical phenomenon of "attenuation of response" causes many to believe that air pollution is not affecting their health because the overt symptoms of exposure tend to fade. Recent evidence shows, however, that injury continues during attenuation²

Numerous studies have shown that elevated ozone can substantially reduce crop yields. A very recent study prepared for California estimated that just attaining the federal air quality standard would increase annual crop revenues in California by \$80 to \$110 million, and attaining a more stringent ozone standard (an eight hour daily standard of 0.07 part per million) would increase the annual benefits to \$350 to \$500 million³.

These effects are not confined to highly elevated ozone concentrations. Spinach has been shown to incur a 10 and 30 percent yield loss over the ranges of 0.043 to 0.049 parts per million and 0.08 to 0.082 parts per million (seven hour seasonal average)⁴. Empire lettuce was reported to experience a 10 and 30 percent loss in yield at ozone concentrations of 0.053 and 0.075 parts per million, respectively (seven hour seasonal average)⁵. Other studies have shown a reduction in yields of 18 to 41 percent when ozone exceeded 0.08 parts per million during the day for 5-18 days over a growing season⁶. Adverse effects have also been found to occur with only a few ozone occurrences above 0.08 parts per million when average ozone concentrations exceed 0.05 parts per million for 4 to 6 hours per day for at least two weeks⁷ These conclusions apply to orchard crops as well. Valencia orange trees exposed to a seasonal 12 hour average of 0.04 and 0.075 parts per million had 11 and 31 percent lower yields than trees grown with very low ozone⁸. Avocado growth was reduced by 20 or 60 percent when exposed to 12 hour seasonal means of 0.068 and 0.096 parts per million⁹.

Air quality criteria for ozone and other photochemical oxidants, US EPA, 1978, EPA-600/8-78-004. Air quality criteria for ozone and other photochemical oxidants, US EPA, 1986, EPA-600/8-84-020aF-eF. Summary of selected new information on effects of ozone on health and vegetation: supplement to 1986 air quality criteria for ozone and other photochemical oxidants, US EPA, 1992, EPA/600/8-88/105F. Air quality criteria for ozone and other photochemical oxidants, US EPA, 1995, EPA/AP-93/044a-c.

Most of the references for ozone effects were taken from an early release version of the US EPA's recent study of the ozone health standard. However, because this study was not formally released when the initial drafts of the this staff report were in preparation, references were provided to references cited in the study rather than to the study itself. These references are retained here even through the study is now publicly available (see Review of the National Ambient Air Quality Standards for Ozone: Assessment of Scientific and Technical Information; EPA-452/R-96-007, June 1996). In this instance, the reference is: Ozone NAAQS Benefits Analyses: California Crops, Abt and Associates, Inc., Report to U.S. EPA, July 1995.

Assessing the Impacts of Ozone on Agricultural Crops: II. Crop yield functions and alternative exposure statistics. J. Air Pollution Control Association. 34: 810-817.

⁵ ibid

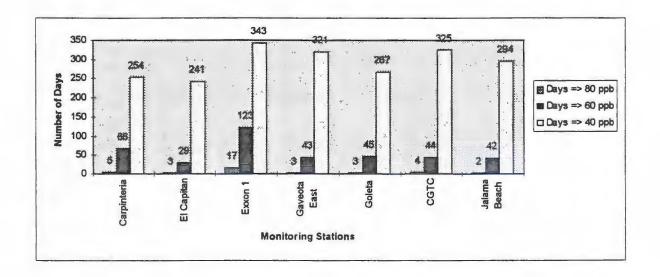
Air Quality Criteria for Ozone and Other Photochemical Oxidants, US EPA, 1978, EPA-600/8-78-004. See also: Air Quality Criteria for Ozone and Other Photochemical Oxidants, US EPA, 1986, EPA-600/8-84-020aF-eF; Summary of Selected New Information on Effects of Ozone on Health and Vegetation: supplement to 1986 Air Quality Criteria for Ozone and Other Photochemical Oxidants, US EPA, 1992, EPA/600/8-88/105F; Air Quality Criteria for Ozone and Other Photochemical Oxidants, US EPA, 1995, EPA/AP-93/044a-c

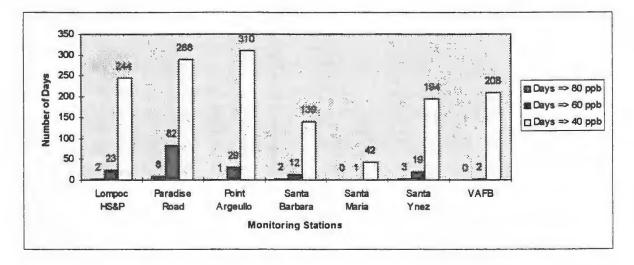
Factors Influencing Ozone Dose Yield Response Relationships in Open Top Field Chamber Studies. In Heck, W.W., et al., eds. Assessment of Crop Loss from Air Pollutants. New York, NY: Elsevier Applied Science; pp. 141-179.

Sensitivity of Frost Resistance and Growth in Citrus and Avocado to Chronic Ozone Exposure. New Phytol. 118: 139-146.

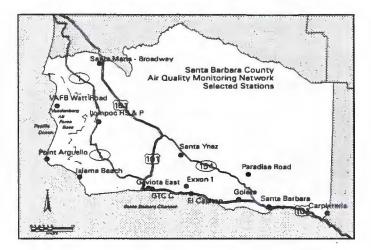
⁹ ibid..

For comparison purposes, the number of days per year, averaged over 1994 where ozone exceeded 0.04 parts per million (40 parts per billion), 0.06 parts per million (60 parts per billion), and 0.08 parts per million (80 parts per billion), on a seven hour daily average, are summarized below.





The location of the monitoring stations listed in the figures above are depicted below.



As these data suggest, it is probable that ozone levels currently experienced in the county adversely affects crop yields and agricultural revenues.

In addition to biological systems such as humans and agricultural crops, ozone and other photochemical oxidants also damage non-biological materials such as paints, microfilm, metals, rubber and other elastic materials, and textiles and dyes¹. The national economic impact of photochemical oxidants on materials has been estimated by a number of researchers at from \$1.6 billion to \$3.9 billion (1984 dollars)². The adverse effects on materials are not confined to high levels of ambient ozone. Adverse effects on rubber and other elastic products and on fading of dyes has been well documented at concentrations less than 0.10 parts per million³.

In its staff paper reviewing the ozone standard, EPA staff has proposed to replace the 0.12 parts per million one hour standard with a 0.07 to 0.09 parts per million eight hour standard. The eight hour standard is the maximum average of eight consecutive hourly ozone concentrations per monitoring station during each day. EPA is proposing the revised standard because of the body of scientific evidence that indicates adverse health effects occur at prolonged concentration less than 0.12 parts per million and above 0.07 to 0.09 parts per million.

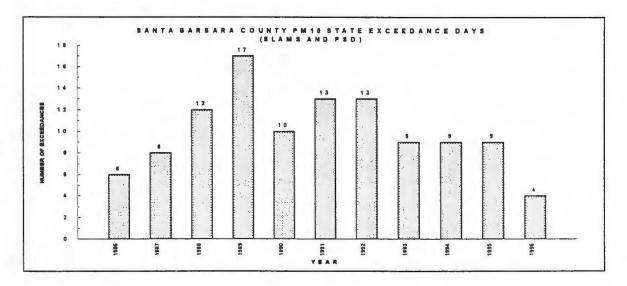
Santa Barbara County is also a nonattainment area for the state's 50 microgram per cubic meter 24 hourly average particulate matter standard for particulate matter less than 10 microns in diameter (PM10). A number of studies have investigated the relationship between short-term (24 hourly average) PM10 concentrations and health effects. Researchers have found strong associations between increased mortality and PM10

ibid..

Air Quality Criteria for Ozone and Other Photochemical Oxidants, US EPA, 1986, EPA-600/8-84-020aF-eF. See Chapter 9 from Volume III.

ibid..

concentrations in the range of 40 to 50 micrograms per cubic meter¹ Other researchers have found associations between hospital admissions of the elderly for pneumonia and PM10 at concentrations of 52 micrograms per cubic meter and above². The number of days where the 24 hour concentration of PM10 has exceeded the state standard are depicted below.



PM10 is both a directly emitted and a secondary pollutant. PM10 can be produced directly by natural or industrial dry grinding processes and indirectly via chemical reactions involving condensation and combustion. Secondary PM10 tends to be smaller and hence to pose a greater health risk than larger primary particles because they can lodge more deeply in the lungs. Pollutants most commonly involved in the formation of secondary PM-10 include oxides of nitrogen and oxides of sulfur. Hence, these compounds are treated as precursors to PM-10 and are treated as nonattainment pollutants.

In recognition of the greater health risks associated with smaller particle size, U.S. EPA has recently released a draft staff report in which U.S. EPA is proposing a new annual air quality standard for particles smaller than 2.5 microns in diameter.

The county is attainment for all other state and federal criteria pollutants (a criteria pollutant is a pollutant where the state or federal government has established an ambient air quality standard).

Air Pollution and Daily Mortality: Associations with Particulates and Acid Aerosols, D.W. Dockery, et al, Environ. Res. 59: 362-373, 1992.

The Association of Mortality and Particulate Air Pollution, in: Particulate Air Pollution and Daily Mortality: Replication and Validation of Selected Studies, J.M. Samet, et al, Prepared by: Health Effects Institute, Cambridge, MA. August 1995.

Daily Mortality and PM10 Pollution in Utah Valley. C.A. Pope et al. Arch.Environ. Health 47: 211-217.

Air Pollution and Hospital Admissions for the Elderly in Detroit, Michigan. J. Schwartz. Am. J. Epidemic. 139: 589-598.

2.2 Regional Air Quality Plans

Regional air quality planning programs are required by state¹ and federal statutes². In essence, regional air quality plans represent multi-year work plans that establish specific regulatory actions local agencies need to implement in order for the region to attain and maintain state and federal air quality standards.

The county first adopted an Air Quality Attainment Plan in 1979 in order to attain the federal standard for ozone as required by the Clean Air Act Amendments of 1977. In 1982 a revised plan was prepared that projected that the federal ozone standard would be attained by 1984 in South County, which had been designated as nonattainment in 1977. The County failed to attain the ozone standard as projected in the 1982 Air Quality Attainment Plan. As a result, the USEPA required the District to prepare a revised plan, and in response, the APCD prepared the 1989 Air Quality Attainment Plan which was adopted by the APCD Board in June of 1990. The 1989 Plan contained the following proposed changes to the APCD's New Source Review Regulation:

- Require Best Available Control Technology for any net emission increase of nonattainment pollutants.
- Require lowest achievable control technology for emission increase of five pounds per hour or more of any nonattainment pollutant.
- Lower the offset threshold from ten pounds per hour to five pounds per hour.
- Increase the minimum offset ratio from 1.2 : 1 to 1.5 : 1.
- Require offsets for reactive organic compounds based on the relative reactivity of different organic compounds (some compounds are much more conducive to ozone formation than other compounds).

In December 1991 the APCD Board adopted the 1991 Air Quality Attainment Plan to demonstrate attainment of the state ozone standard. The 1991 Plan was prepared in response to the California Clean Air Act which requires areas in violation of the state's air quality standards to prepare a plan for attaining the state's health standards. By the time the 1991 Plan was adopted, the changes to new source review proposed in the 1989 Plan had not been implemented. The 1991 Plan committed to the development of a revised new source review rule to comply with a provision of the Act that requires nonattainment areas implement a permitting program that would allow no net emission increase from all new or modified sources of nonattainment pollutants. The 1991 Plan committed to the following:

California Health and Safety Code Section 40910 et seq

Federal Clean Air Act Amendments of 1990 P.L. 101-549 Section 107(a)

- Lower the emission increase threshold for new or modified sources that triggers Best Available Control Technology and emission offset requirements.
- Establish some type of industry and community emission banking program.
- Increase the minimum offset ratio from 1.2 : 1 to 1.5 : 1.

In 1990, the federal Clean Air Act Amendments of 1990 were enacted. The 1990 Act established new and revised requirements for regional nonattainment plans. In response to the revised mandates, the APCD prepared the 1994 Clean Air Plan, which was adopted by the APCD Board in 1994. By the time the 1994 Plan was adopted the proposed new source review changes identified in the 1991 Plan had not been implemented. An element of the 1994 Clean Air Plan also updated the County's 1991 state air plan.

As a part of this rule making effort, we are proposing to modify the 1991 Air Quality Attainment Plan to limit the recommendation that the minimum offset ratio for sources needing offsets be increased from 1.2 to 1 to 1.5 to 1. As proposed, sources that obtain offsets within 7.5 miles need only provide offsets at a minimum ratio of 1.2 to 1. All other trades must meet the minimum 1.5 to 1 ratio. This change is not significant because the minimum ratio offers full mitigation and a reasonable net air quality benefit when the source of the offsets is located within 7.5 miles from the new or modified source.

The change in the minimum offset ratio proposed in the 1989 and 1991 Air Quality Attainment Plans requires clarification and discussion. The change was not proposed in response to the results of any quantitative assessment such as the use of photochemical simulation modeling. The change in the offset ratios was proposed because the county was (and remains) an area that fails to attain the state and federal health based ozone standards, and the county therefore needs to do everything feasible to attain the ozone standard. The increase in the offset ratio was designed to help accomplish this end.

This is not to say that ozone formation has not been exhaustively studied in Santa Barbara County. The cause and control of the ozone air quality problem in Santa Barbara County has been subject to extensive study. Numerous highly expensive and comprehensive regional air quality and meteorological data collection and simulation modeling programs have been conducted on ozone formation in the greater Santa Barbara area¹. While these studies were highly successful in reaching a number of program objectives, they were unable to provide a quantitative answer on how much mitigation (size of the offset ratio) is required to eliminate the impact of increased emissions from a new or modified sources.

The inability of these studies to provide a quantitative answer to the issue of offset ratios is due to several factors. The best ozone modeling tools are regional photochemical models. These models are capable of assessing large scale changes in regional emissions but not small scale localized changes needed to assess offset ratios. An investigation of offset ratios

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For example, the Joint Interagency Modeling Study (JIMS), 1980; South Central Coast Cooperative Aeromatic Modeling Program, 1984-1985; and an extensive photochemical simulation modeling program conducted by the California Air Resources and the APCD for the 1989 Air Quality Attainment Plan.

is also highly dependent on the meteorology used in the evaluation. Different meteorological conditions will produce different conclusions about offset requirements. Regional photochemical models programs are highly complex undertakings and require an extensive and expensive air quality and meteorological data collection program. Developing model inputs for just a few days can and has cost well in excess of one million dollars. Increasing the number of days to be modeled compounds these costs. It is for these reasons that the federal government establishes offset ratios by statute rather than by study.

2.3 State Requirements

The APCD's permitting and new source review program is authorized and mandated by the California Health and Safety Code.¹ The proposed revisions address a number of additional state statutory permitting requirements that the current rules do not meet. Recent amendments to the California Clean Air Act impose different requirements for Best Available Control Technology and offsets depending upon the severity of a district's ozone problem. For example, "moderate" nonattainment areas must require Best Available Control Technology for all new or modified stationary sources that have a potential to emit of 25 pounds per day or more of any nonattainment pollutant and no net increase in emissions of nonattainment pollutants from all sources with a potential to emit more than 25 tons per year². In addition, stricter requirements may be applied to areas, like Santa Barbara County, which contribute to ozone violations in other counties.³

In 1992, the California state legislature passed legislation requiring districts to establish a system by which emission reduction credits can be created⁴. No timeline was established for the implementation of a banking rule. It has always been the APCD's intention to develop a banking rule in conjunction with a revision to the APCD's new source review rule.

In 1993, Assembly Bill 2288 was passed. It prohibits variances from requirements to obtain a permit for Title V sources, changes permit renewal obligations, and establishes other requirements related to the Title V program⁵.

In 1992, the Air Pollution Permit Streamlining Act was enacted⁶. The Streamlining Act requires local air districts to implement an accelerated permitting program for small and medium sources.

The APCD's proposed revisions to the Permitting and New Source Review Regulations contain provisions which specifically address these new mandates.

Health and Safety Code Sections 42300 et seq., 40918 et seq.).

Health and Safety Code Section 40918.

Title 17 of the California Code of Regulations section 70600.

⁴ Health and Safety Code section 40709, et seq.

Although a substantial portion of this bill changed Health and Safety Code sections commencing with 42301, the remainder of its changes are scattered throughout Division 26, the primary repository of California air law.

⁶ Health and Safety Code Section 42320, et seq.

2.4 Federal Requirements

The APCD's permitting and new source review program is mandated by federal statute. Section 110 of the federal Clean Air Act requires states to develop and implement a permitting program for stationary sources of air pollution. Sections 165 and 173 establish permitting requirements applicable to new and modified sources that seek to locate or expand in attainment and nonattainment areas, respectively, and requires states to develop and implement a permitting program consistent with these requirements.

The USEPA is the federal agency responsible for implementing the federal Clean Air Act. In response to the Act's mandate for a permitting and new source review program, the USEPA promulgated regulations clarifying minimum requirements for an approveable state permit program¹.

There are also a large number of other USEPA regulations and policy statements that establish and clarify permitting requirements. For example, federal law requires emission reductions to have specific characteristics if they are to be converted to emission credits. In particular, the following attributes are required in the USEPA Emissions Trading Policy Statement: surplus, permanent, quantifiable, enforceable². The additional requirement that the emission reduction be "real" is a consequence of the federal requirement that all creditable reductions be actual emissions.

In response to changes in federal regulations, staff is proposing several minor modifications to the APCD's Prevention of Significant Deterioration rule (Rule 803). Additional pollutants that trigger Prevention of Significant Deterioration (attainment pollutant³) review have been added. They are primarily pollutants emitted by municipal waste incinerators, and are not expected to impact any existing sources. In the circumstance where a source will impact a Class I area, the APCD has added a requirement that the source analyze the air quality related values identified by the Federal Land Manager⁴. Santa Barbara County has one Class I area: the San Rafael Wilderness. The Federal Land Manager is the U.S. Forest Service. The scope of the energy, environmental and economic impacts required in the Prevention of Significant Deterioration Best Available Control Technology analysis will require consideration of alternatives to toxics to implement USEPA direction⁵.

The federal Clean Air Act amendments of 1990 require sources with a potential to emit more than 100 tons per year to include an analysis of alternative sites, sizes, production processes and environmental control techniques⁶.

The requirements are given at 40 CFR 51.165 and 40 CFR 51.166.

² 51 FR 43814, 12/4/86

As defined in the proposed regulations, attainment pollutants refers to those pollutants other than nonattainment pollutants. In addition to those pollutants where the county attains applicable air quality standards, attainments as used here and it the proposed rules also includes pollutants for which there is no air quality standards (for example, beryllium and mercury).

Comment Letter, USEPA to D. Allard, dated March 23, 1994; page 12, section C.3.b.7, and 40 CFR 52.21, exp (p).

Comment Letter, USEPA to D. Allard, dated March 23, 1994; page 4, section C.3.b.7.

Section 173.a.5 of the federal Clean Air Act.

Federal statutes require that the District require operators to pay fees sufficient to cover the costs of application processing, hence the cost reimbursement provisions at section H of Rule 806, Emission Reduction Credits¹.

Federal permitting regulations and statutes allow very little in the way of exemptions², and U.S. EPA will not allow a state or local agency to exempt a source out of applicable requirements for obvious reasons. It is for this reason that staff added emission limits on exemptions and made other changes to exemption limits.

42 USCS 7410.a.2.K.

The only exemptions allowed under federal regulation are certain routine maintenance, repair, and replacements (see definition of modification under 40 CFR 51.166); and mobile sources regulated under Title II (see Section 302(z) of the Act).

3. Discussion of Major Changes

3.1 Regulation II. Permits

Regulation II is currently comprised of twelve rules. Of the proposed revisions to Regulation II, the most significant proposed changes are found in modified Rule 201 (Permits), modified Rule 202 (Exemptions to Permit), and Rule 208 (Action on Applications - Time Lines). These changes are discussed below.

Rule 201 Permits

A provision has been proposed to Rule 201 that allows the Air Pollution Control Officer to issue a combined authority to construct and permit to operate. Under current APCD permitting requirements, sources must normally file for and obtain both an authority to construct and then a permit to operate. The provision allowing the issuance of a single permit will reduce the time it takes to obtain a permit.

Staff is proposing language that would subject equipment used for the dredging of waterways, or equipment used in pile driving adjacent to or in waterways, or pipe-laying and derrick barges, to permit. Staff is proposing this change because these sources are potentially significant emitters. In response to a request from industry, the APCD reviewed an ATC for one of the newer oil and gas processing facilities that included installation of platforms and pipelines. Based on potential as well as actual emissions, derrick barges and pipe-laying vessels are extremely large emitters of air contaminants. The potential emissions associated with this one project from pipe-laying and derrick barges totaled more than 500 tons of NOx. Emissions during a six week period for the 26,000 horsepower pipe-laying barge "Lorelay" alone were 42 tons of NOx.

Rule 202. Exemptions to Permit

A standard element of all APCD rules describes which facilities and/or equipment do not need permits. The basis for the exemption provisions is that certain types of activities/equipment emit such small quantities of air pollution that such emissions do not materially contribute to the County's air pollution problem. Another important consideration is regulatory efficiency. The APCD's resources are better spent on larger sources of pollution that comprise the vast majority of the county's stationary source emission inventory than on very small sources.

Staff's proposed changes to permit exemptions were developed in an attempt to provide for exemptions while meeting federal permitting requirements. Federal regulations and statutes allow very little in the way of exemptions¹, and U.S. EPA will not allow a state or local agency to exempt sources out of applicable requirements for obvious reasons. The problem

The only exemptions allowed under federal regulation are certain routine maintenance, repair, and replacements (see definition of modification under 40 CFR 51.166); and mobile sources regulated under Title II (see Section 302(z) of the Act).

confronting staff is therefore how to allow for exemptions while meeting federal mandates and regulatory requirements.

In an attempt to provide for exemptions for equipment that has very small emission potential while at the same time complying with federal permitting requirements, staff has made the following major changes to its permit exemption rule.

- An aggregate limit on the exemption of 25 tons per year for external combustion equipment (for example, for boilers over one million BTUs per hour heat input) was added (see Rule 202.G).
- For certain other exemptions that already contained an aggregate limit (also referred to as a "gatekeeper"), the aggregate limit per equipment category was lowered from 150 pounds per day to 10 tons per year (for example, see Rule 202.H, I, and J)
- The ten ton per year exemption limit was not applied to internal combustion engine exemptions because of the current linkage between Rule 333 (which establishes emission limits for piston powered internal combustion engines) and provisions of Rule 202 pertaining to internal combustion engines. Staff intends to revise Rule 333 within the next year. The relationship between the applicability of Rule 333 and exemptions afforded under Rule 202 will be an area of primary consideration in the rule making effort.
- A substantial number of new exemptions were added covering a diversity of activities such as engines used to power amusement rides and other short-term entertainment, semi conductor manufacturing activities, and other exemptions (see Rule 202).

Staff is proposing to eliminate the exemption for drill-rigs because staff believes that drill rigs are a significant source of pollution and should be regulated either by the state's registration program or by APCD permit (sources have the option of registering with the state or complying with local district permit requirements). If the exemption is not eliminated, drill rigs will be exempt from both.

According to data compiled by the Ventura County APCD, drill rigs range from 1000 to 2100 horsepower, consume 750 to 1000 gallons of diesel fuel per day, and operate 15 to 100 days per site. Based on these data, emissions of NOx would range from over 2 to 21 tons per drilling project.

The statewide portable equipment registration program was specifically developed for drill rigs and other portable stationary engines, and APCD staff feel that drill rigs operating in Santa Barbara County should be subject to the registration program as they are elsewhere in California. Portable equipment such as portable drilling rigs that move from county to county has long been a difficult permitting challenge for both portable equipment operators and local permitting agencies. The state's Portable Equipment Registration program¹ is designed to resolve the permitting problems associated with portable equipment by

Health and Safety Code section 41750 (AB 531).

consolidating permitting requirements under a single agency. In response to the state's program, provisions of Rule 202 pertaining to drilling rigs were replaced with text that indicates portable drilling rigs are exempt until 180 days after the state's portable equipment regulation takes effect. At that time, the equipment must either be in compliance with the state's portable equipment regulation or be under APCD permit. (See 202.F.2)

It is difficult to provide an overall indication of whether the proposed changes to Rule 202 represent a more or less restrictive permitting program. The changes primarily affect exempt equipment, and the APCD does not have a good data base on exempt equipment because the equipment is exempt and is therefore not subject to the same level of reporting requirements as permitted equipment and activities. The APCD's overall objective in revising Rule 202 is to keep small inconsequential activities/sources/emissions out of the permitting program so it can focus on larger sources that represent the vast majority of pollution from stationary sources in the county. For this reason a number of exemptions were added. The reduction in the aggregate emission limit per exemption category may result in additional devices being subject to permit, but the addition of new exemptions will result in fewer equipment being subject to permit.

Rule 208. Action on Applications - Time Limits

Draft Rule 208 implements state mandates for streamlining the permit process for small and medium sized sources of air pollution. The proposed revisions guarantee permit processing times depending on the size and complexity of the source. For example, the processing time limits for the APCD to take final action on authority to construct applications for qualifying medium and small sources is reduced from 180 days to 90 and 30 days, respectively.

3.2 Regulation VIII. New Source Review

Regulation VIII, the APCD's New Source Review Regulation is comprised of seven rules, most of which are highly interrelated. The most significant proposed changes to Regulation VIII are highlighted below.

Rule 801. New Source Review

In the APCD's current new source review regulation, the "net emission increase" of a new or modified source of air pollution is used to determine when the requirements of new source review apply. The APCD is proposing to change its definition of net emission increase which will affect multiple new source review rules. The proposed definition is given in Rule 801.

In the current rule the term "Net Emission Increase" is used to define the emission increase from a new or modified source of pollution that triggers new source review requirements such as Best Available Control Technology, air quality modeling, and emission offsets. Currently, Net Emission Increase or NEI is the sum of all increases and decreases of an affected pollutant, caused by the installation of a new source or the modification of an existing source since July 2, 1979. This calculation is made by summing all permitted

emissions of a pollutant for a source which was built or modified since July 1, 1979 with all actual emission reductions of the pollutant which have been documented by an Authority to Construct and a Permit to Operated since that date.

In the draft rule, the baseline date from which emission increases and decreases are summed has been changed, and, in addition, another type of emission trigger is proposed for the Best Available Control Technology trigger for nonattainment pollutants (potential to emit). The change to net emission increase is summarized below. The change to potential to emit is described below under the discussion of proposed Rule 802.

The current New Source Review Rule measures net emissions increase from a baseline date of 1979. This means that the emission trigger used to determine new source review and other requirements is based on all the emission changes (increases and decreases) since 1979.

The United States Environmental Protection Agency has commented to the APCD that the use of a 1979 baseline for calculating net emission increase is inappropriate because it allows for reductions in net emission increase to be carried on a permit for such a long time that unmitigated emissions growth may occur which could interfere with a district's ability to attain the federal health based ozone standard¹.

The approach in the current draft goes back to the baseline date concept but moves the baseline to 1990. A baseline of 1990 is consistent with the emission baseline (emission inventory) used in the 1994 Clean Air Plan, and will therefore ensure that the new source review rule is consistent with the regional air quality plan. APCD rules must be consistent with the Clean Air Plan². In addition to consistency with regional programs by eliminating emission decreases prior to 1990, the new definition of net emission increase will wipe out any emission increases prior to 1990 and will allow some sources to experience emission growth (10 tons/year) before triggering offsets which would not have been allowed under the current rule.

Rule 802. Nonattainment Review - Best Available Control Technology

Best Available Control Technology represents a stringent level of pollution control and is required for certain new or modified sources of pollution. In response to the requirements of state law³, the APCD is proposing to modify the amount of nonattainment pollutant emission growth allowed before Best Available Control Technology is imposed. The change was crafted to minimize unnecessary burdens on industry while at the same time complying with the law.

Currently, Best Available Control Technology is required for any new source or modification to an existing stationary source if the emissions of the new or modified source result in a total net emission increase since 1979 of over 2.5 pounds per hour of any non-attainment pollutant. In the current draft the trigger level is a potential to emit of 25 lb. per

Letter from Matt Haber, U.S. EPA Region IX, to Doug Allard, APCO, SBCAPCD, p. 6, March 23, 1995.

Section 173(a) of the Federal Clean Air Act.

³ Health and Safety Code Section 40918.

day or more for a new stationary source or per project for a modification at an existing source. Thus, the proposed Best Available Control Technology threshold was changed in three ways (Refer to Rule 802.C in the Attachment for proposed text).

- The threshold criteria was changed from net emission increase to potential to emit of a new stationary source or for each project for modifications at an existing stationary source. As indicated above, net emission increase refers to the change in emissions over some period of time and is calculated by summing all the creditable emission increases and decreases at a source since 1979. The potential to emit is the maximum capacity of a source to emit, unless the source is subject to enforceable limits which restrict the potential to emit.
- The applicability criteria was changed from "new or modified source" to "new source" or "project" at an existing source. Under the present definition, the trigger level is based on emissions from the entire source. This is still true for new sources, however for modifications at an existing source, the trigger is based on emissions from the "project." A "project" is a proposed activity covered under one or more authority to construct permit applications where the activities are at the same stationary source, are related, and the permit applications are submitted within 12 months the issuance of the PTO for a related project. Please see the explanation of project in Section 8 of this staff report for a full explanation of the term "project" including examples.
- The threshold level was changed from 2.5 pounds per hour to 25 pounds per day. The change in threshold levels from shorter to longer averaging times generally reduces the chance of the trigger being exceeded. However, in this instance the averaging time was increased, and at the same time, the size of the threshold was reduced. Hence, the effect of the change will depend on the operating cycle of each source. For sources with essentially continuous operations that operate for less than 10 hours per day, the proposed threshold is less stringent than the old threshold. For sources that operate more than 10 hours per day, the new thresholds will be more stringent. For batch operations the new limits are less restrictive.

While this proposed revision to the BACT trigger could be viewed as less stringent than the current definition, in practice, the current rule as implemented often leads to a determination that only a RACT level of control should be required for small modifications to existing small and medium sources. The proposed change in APCD rules roughly achieves the same result but avoids the necessity of doing a cost analysis by staff prior to determining that RACT control levels are justified due to the cost of implementing the most efficient technology. The proposed approach will comply with state law and exempt small projects (at any size source) from the Best Available Control Technology for nonattainment pollutants. Staff believes that Best Available Control Technology is inappropriate for small equipment and processes (low emissions) and the proposed changes will allow staff to focus on those sources for which Best Available Control Technology was intended.

Rule 802. Nonattainment Review - Emission Offsets

Emission offsets are emission reductions that larger new or modified sources must obtain in order to locate or expand in the county. The emission offset threshold or trigger is the amount of emission increase from a new or modified source that triggers emission offset requirements. The emission offset liability is the amount of emission reductions that the source must obtain, once offsets have been triggered.

APCD staff is proposing a modified approach to both offset triggers and offset liabilities for nonattainment pollutants (see Rule 802.E for rule text). The proposed change was made in response to state law, and represents an attempt at balancing current requirements with the requirements of state law. The modified approach was also crafted to provide flexibility while at the same time meeting state mandates.

State law¹ requires that the APCD implement a permit program that allows no net increase in emissions from sources which emit or have the potential to emit 25 tons per year or more of ozone precursors (reactive organic compounds or oxides of nitrogen). In response to this mandate, staff is proposing to retain the use of net emission increase as the basis for determining when emission offsets are required for nonattainment pollutants, with the following changes:

- Change in the baseyear for net emission increase from 1979 to 1990.
- Revised thresholds that triggers offsets of 150 pounds per day or 25 tons per year for carbon monoxide, and 55 pounds per day or 10 tons per year for other nonattainment pollutants. The PM-10 thresholds remained the same except for the hourly threshold which was deleted. The current offset thresholds are 10 pounds per hour, 240 pounds per day, or 25 tons per year of any nonattainment pollutant except for PM-10 in which case the threshold is 10 pounds per hour, 80 pounds per day, or 15 tons per year.

Overall, the two changes to the offset threshold both strengthen and weaken offset requirements. The proposed revisions forgive a source's emission growth that occurred between 1979 to 1990 and could therefore result in emissions growth which would have been mitigated under the current rule. However, the proposed lower offset threshold will require offsets for future projects that would otherwise not have been required to offset emissions growth. On balance, the two proposed changes will allow more growth before emission offsets are triggered for a handful of sources while allowing less emission growth for many other sources.

It should be emphasized that very few sources in the county are affected by offset requirements. In the last ten years only five sources have been subject to emission offset requirements. Most sources in the county have not been required to offset emissions increases and would not have triggered the offset requirements even if they had been

Health and Safety Code Section 40918.

permitted under the requirements of the proposed rule. Only five percent of the permitted sources in the county emit more than 10 tons per year of any non-attainment pollutant.

The elimination of the hourly threshold will tend to reduce the probability of a source triggering offsets (as explained above, the probability of a source exceeding any emission threshold will generally increase as one moves to shorter averaging times due to minute to minute, hour to hour, day to day, and month to month variability in source's activity and hence emission levels). The change to daily emission therefore represents a slight relaxation of the current rule. The inclusion of more liberal limits for CO also represents a relaxation.

Lowering the offset threshold to 10 tons per year is a strategy intended to comply with the state statute that requires no net increase in sources with a potential to emit of 25 tons per year or larger. To comply, the sum of the emission offsets currently in place since 1990, plus the emission offsets required after the rule is in place, must exceed the growth in emissions from sources with a potential to emit of more than 25 tons per year that do not require offsets. That is, the Health and Safety Code (Section 40918) requires no net emission increase in emissions from sources with a potential to emit 25 or more tons per year. The proposed rule says that all sources with a net emission increase of 10 tons per year must offset the full net emission increase. Thus, the proposed rule would require, for example, a source with starting emissions of one ton per year and a growth of 11 tons per year (net emission increase of 11 tons per year) to offset the 11 tons per year, and a 1000 ton source with growth of 11 tons per year (net emission increase of 11 tons year) would also be required to offset 11 tons per year. For the proposed approach to be equivalent to Health and Safety Code mandate, the offsets obtained from the proposed approach, plus the offsets obtained under the current rule since 1990, must be more than or equal to the offsets that would have been obtained had the district required sources with a potential to emit of 25 or more tons per year to offset all net emissions increases.

Rule 803 Prevention of Significant Deterioration

The proposed changes to Rule 803 do not represent major changes. There are no significant new mandates related to Prevention of Significant Deterioration that must be addressed in these proposed revisions.

For sources which emit attainment pollutants, the Best Available Control Technology trigger was changed in two ways (refer to Rule 803.D in the Attachment for proposed text).

- The revised definition of net emission increase, as described above (change in baseyear from 1979 to 1990).
- The pounds per hour threshold was replaced with pounds per day.

On balance, the proposed revision should be less restrictive than the current rule. For existing sources the change in baseyear for net emission increase will allow sources more growth before the source triggers Best Available Control Technology requirements. The change in trigger from pounds per hour to pounds per day should also reduce the probability of a source triggering Best Available Control Technology requirements.

Rule 803. Prevention of Significant Deterioration - Offset Threshold

The proposed changes to offsets requirements for attainment pollutants will loosen offset requirements compared to the present rule. The offset trigger for attainment pollutants is also based on net emission increase, and similar to the discussion for nonattainment pollutants, the change in the baseline for calculating net emission increase from 1979 to 1990 in effect forgives emission growth that has occurred between this period. The proposed change in the offset trigger from pounds per hour to pounds per day will reduce the chance that a source will trigger offset requirements.

Rule 803. Prevention of Significant Deterioration - Offset Ratio

The offset ratio requirements for attainment pollutants is unchanged.

Rule 806 Emissions Reduction Credits (Emission Banking)

Emissions Reduction Crediting is a system by which emission reductions from shutdowns or from controls which were not required may be stored as credit or "registered" for use later as offsets or for sale to other companies needing offsets. Current APCD rules do not allow emission reductions to be stored for later use. The proposed rule contains a provision that establishes an emission reduction credit registration system (see Rule 806 for rule text). Allowing the registration of emission reduction credits will provide new or modified sources that trigger emission offsets with a source of offsets, and may facilitate growth in the county. For sources that generate emission reduction credits, the registration system will allow sources to realize financial gains that would be more difficult to realize in the absence of proposed Rule 806.

4. Cost Implications

Permitting and new source review regulations require affected sources to internalize the costs of air pollution. There are three primary types of costs associated with permitting and new source review.

- Permit processing time: Time is money. Reducing permitting time will reduce permitting costs. One goal of the Regulation II/VIII revision is to reduce the time it takes to get a permit.
- Permit requirements. Permitting and new source review regulations set pollution limits via permit conditions. Examples include the installation of pollution control equipment, use of low pollution materials, and record keeping and reporting. Meeting permit requirements costs money.
- Permit fees. Permit fees allow the APCD to ensure that sources in the county comply
 with pollution control requirements. The APCD's permitting program represents the
 core of its air pollution control program. Fees should be kept at the bare minimum
 necessary to allow the APCD to implement and enforce its permitting program.
 Reducing fees is a final cost objective of the APCD revision to its Regulation II and
 VIII rules.

These cost elements are highly interrelated. For example, reducing permit requirements also shortens the time it takes to obtain a permit, because the permit is less complex. Permit fees are related to permit complexity and will experience a decrease as well.

The following table summarizes the aggregate estimated effect of the proposed revisions. Following sections describe the cost implications of the proposed revisions in greater detail.

Table 4.1

Cost Implications of Proposed Revisions

Rule	Change	Costs - Permitting Time	Costs - Permit Requirements	Costs - Fees	Cumulative Cost Effect ¹
201	Combined Authority to Construct Permit to Operate for small sources and small modifications at existing sources	Decrease	Neutral	Decrease	Decrease
202	Decrease in the size of aggregate exemption limit per equipment category	Increase	Increase	Increase	Increase
202	Addition of new exemptions	Decrease	Decrease	Decrease	Decrease
202	Elimination of the drill rig exemption	Negligible due to the statewide portable	Negligible due to the statewide portable	Negligible	Negligible

This column indicates the likely direct impact of the proposed change on sources directly affected by the change from the perspective of the source.

Table 4.1

Cost Implications of Proposed Revisions					
Rule	Change	Costs - Permitting Time equipment	Costs - Permit Requirements equipment	Costs - Fees	Cumulative Cost Effect
208	Permit streamlining, reduced processing times	Decrease Decrease	Neutral	Neutral	Decrease
802	Change in emission growth allowed before Best Available Control Technology for nonattainment pollutants is triggered.	Decrease	Decrease	Decrease	Decrease
803	Change in emission growth allowed before Best Available Control Technology or attainment pollutants is triggered.	Decrease	Decrease	Decrease	Decrease
802	Change in emission growth allowed before emission offsets are required for nonattainment pollutants	Increase	Increase	Increase	Increase ¹
803	Change in emission growth allowed before emission offsets are required for attainment pollutants	Decrease	Decrease	Decrease	Decrease
802	Change in emission offset ratios	Neutral	Decrease	Neutral	Decrease
806	Banking of emission reduction credits	Neutral	Neutral	Neutral	Decrease
Total	Sum of all changes	Decrease	Decrease	Decrease	Decrease

4.1 Permit Processing Time

One cost of the APCD's permitting program to industry is permitting time. Longer permitting times generally indicate more review cycles and complex requirements which consume more resources than shorter permitting timelines and less complex requirements. The proposed rules contain a number of provisions which affect or may affect permitting timelines.

Rule 201. Standardizing the issuance of combined authority to construct and permit to operate permits for small sources (see Rule 201.E.3) will eliminate one entire permit cycle and substantially reduce permitting time for qualifying sources. In aggregate, the changes to 201 are expected to reduce permitting time for the average source.

Rule 202. The addition of the proposed new exemptions will eliminate additional equipment/activities from permit (for example, see Rule 202.P and T). Less equipment on a permit makes a permit less complex. The proposed reduction in the aggregate amount of

The emission growth trigger for nonattainment pollutants was changed in several ways. For the largest sources that have experienced emission growth since 1979, the changes will allow more source growth than allowed under the current rule. However, this condition applies only to a handful of sources. For most sources the proposed changes will reduce the emission growth allowed before emission offset requirements are triggered.

exempt emissions allowed per stationary source and equipment category may result is additional equipment/activities being subject to permit. Such a change would primarily affect larger sources and tend to increase permit complexity for these sources. The elimination of the drill rig exemption will require sources obtain a registration from the state or a permit from the APCD. However, the registration program was established by the state to reduce permitting time and costs for portable equipment operators, including drill rig operators.

Rule 208. Rule 208 contains provisions implementing a state mandated permitting program that will reduce the time the APCD has to issue permits for qualifying small and medium sized sources. The rule reduces the time the APCD has to act on a permit application once the application has been deemed complete by 50 to 80 percent (see Rule 208.E.3 and E.4). Proposed revisions also allow an applicant to appeal incompleteness determinations to the APCD Board (see Rule 208.D.3).

Rule 802 Changing from an hourly to a daily offset trigger is more stringent for sources that operate more than 10 hours a day but less stringent for sources that operate less than that. The addition of new exemptions in Rule 202 could decrease the number of sources requiring new source review while the gatekeepers could increase that number. On balance, the changes to the new source review thresholds and Rule 202 exemptions are expected to have a neutral effect on the cost of the APCD permitting program

Rule 803. With one exception, the implications of the changes to new source review requirements for attainment pollutants mirror the implications of the change to APCD's new source review requirements for nonattainment pollutants discussed above (Rule 802). The emission offset trigger for attainment pollutants has been relaxed as well which will also reduce permit complexity for any sources that trigger offset requirements for attainment pollutants.

4.2 Permit Requirements

Until air pollution regulations were implemented, air pollution costs were kept external to companies that generated air pollution. Costs were borne by those affected by the air pollution in terms of adverse health impacts, and materials and agricultural damage. Air pollution regulations therefore by their nature internalize the costs of pollution for the pollution generators. This is accomplished in a variety of ways. A primary regulatory method of reducing pollution is the permit to pollute, also known as the authority to construct and permit to operate. There are a variety of costs associated with permits to pollute. All permit holders are required to maintain some form of records to assure they don't pollute by more than they are allowed. Hence, adding equipment and/or additional requirements will tend to increase recordkeeping costs. All new source review requirements have cost implications such as installing and maintaining air pollution control equipment, obtaining emission offsets, and implementing ambient air quality monitoring and modeling requirements. By internalizing the cost of air pollution, permitting requirements act as an incentive to pollute less.

Rule 202. Equipment under permit is normally subject to recordkeeping and reporting requirements. The new exemptions proposed in Rule 202 will tend to reduce recordkeeping and reporting costs while the provisions that may add equipment to permit (decrease in the sourcewide exemptions allowed) may increase these costs. Recordkeeping and reporting are needed to assure a source complies with applicable regulatory requirements.

Rule 802. As indicated above, the emission trigger for Best Available Control Technology has been increased for nonattainment pollutants and will result in fewer companies having to undergo review for Best Available Control Technology. Compliance with Best Available Control Technology requires companies to engage in a comprehensive evaluation of control technology options.

The proposed changes will, for most sources, decrease the amount of growth allowed for nonattainment pollutants before emission offset requirements are triggered, and may result in additional companies needing to comply with emission offset requirements. The proposed change to emission offset ratios may result in higher or lower costs for companies needing offset credits depending on the location of the proposed source and the location of the offset credits.

Rule 803. The implications of the proposed changes to new source review requirements for attainment pollutants are essentially the same as for nonattainment pollutants discussed above. The exception is again that the emission offset trigger for attainment pollutants has been relaxed which will reduce the probability of a source triggering offset requirements for attainment pollutants.

Rule 806. Proposed new Rule 806 (Emission Reduction Credits) will allow companies to bank emission reductions for later use or sale and may facilitate the ability of companies to locate or expand in the county. Although ERC certificates will not create a preexisting right to emit air pollution, ERC certificates may generate appreciable revenues for the companies that bank emission reduction credits.

It is difficult to generate a quantitative estimate of the effect of the proposed rule changes on costs. Estimating the effect of the proposed changes on permit exemptions requires firm data on exempt equipment which the APCD does not have because exempt equipment is not subject to the same recordkeeping and reporting requirements as permitted equipment. Estimating the impact of the proposed changes on new source review would require a prediction of the location, size and type of stationary source growth, the size, type, and location of sources that generate emission reduction credits, the cost of emission reduction credits, and the cost of BACT. Qualitatively, APCD staff expect the changes in aggregate to result in less equipment being subject to permit requirements, and fewer permits being subject to new source review requirements which should reduce industry's cost of complying with the proposed rule changes.

4.3 Fees

The cost of cleaning the air and keeping it clean is placed on the sources that cause the pollution. Autos are heavily regulated by the Air Resources Board and pay state and local fees for air pollution. APCD regulates stationary sources and charges fees for services provided. Larger sources represent a heavy burden on air quality and pay higher fees.

The fees the APCD collects must be directly related to regulatory work the APCD performs. For this reason, the APCD employs different fees for different purposes. The fees most likely affected by the proposed rule changes are the APCD's permit processing fees and annual emission fees. The APCD charges permit processing fees to support its permit processing program. It charges annual emission fees (including both annual emission and Air Quality Attainment Plan fees) to support ongoing regulatory programs such as enforcement, rule development, ambient air quality monitoring, and regional air quality plan development. The permit fees are in general based on the complexity of a source while the emission fees are based on the amount of pollution generated by permitted equipment at the facility.

Annual emission fees, including both the Air Quality Attainment Plan and Annual Emission fees, are based on either permitted or actual emissions from permitted equipment/activities. Emission fees are calculated by summing emissions per stationary source, and multiplying the emissions by a fee rate that is expressed in dollars per ton. Proposed changes that subject additional equipment to permit will tend to increase emission based fees and those provisions that exempt additional equipment will reduce these fees.

There are two types of permit processing fees: a filing fee and an evaluation fee. There are two types of evaluation fees, fee schedule and reimbursable fees. Sources subject to fee schedule based reevaluation fees (generally the less complex sources) pay a fee that is based on the amount of polluting activity at a source. Under the reimbursable fee provisions a source is billed for the actual labor APCD staff spends on the source's permit.

Rule 201. The APCD expects a reduction in fees as a result of permit streamlining provisions that allow for the consolidation of Authority to Construct and Permit to Operate and shortened processing times based on facility size and complexity. The loss of revenue to the APCD, i.e. the savings to industry, is estimated below under the assumption that all small sources are able to take advantage of the combined authority to construct/permit to operate permit:

Average annual number of permits issued (authority to construct and permit to				
operate) 1990-94	361			
Estimated fraction of small source permits issued:	50 percent			
Estimated average number of small source permits issued:	180			
Estimated reduction in permits issued due to rule change:	90			
Fee reduction (filing fee) per permit action:	231			
Estimated industry cost savings/APCD revenue reductions	\$19,170			

Rule 202. Reducing equipment and activities exempt from permit will increase permit and emission based fees. Increasing the permit exemptions will of course have the opposite effect. While new exemptions are proposed and may decrease source's total permitted emissions, the exemptions were added because the equipment has minimal emission potential. Hence, any decrease in permitted emissions will be very small. The reduction in the aggregate amount of exemptions allowed per source may result in additional equipment being subject to permit at larger sources and hence a slight increase in emission based fees.

The addition of new exemptions will reduce the evaluation fees because less equipment will be subject to permit. The reduction in the aggregate exemption limits may increase evaluation fees because more equipment may be subject to evaluation fees. Staff expect these changes in total to result in small changes to permit fees effecting only a few of the larger sources in the county.

Rule 802. The increase in the Best Available Control Technology trigger will result in fewer sources being subject to Best Available Control Technology which will reduce permit fees for sources subject to this requirement. The decrease in the emission offset trigger for nonattainment pollutants may result in some additional sources being subject to offset requirements and permit fees related to these requirements. The intent of both requirements is to reduce emissions. Thus, the increase in emission threshold for Best Available Control Technology may result in increased emissions and hence increased emissions based fees while the decrease in the emission trigger for offsets may reduce emissions and smaller emissions based fees for companies subject to offset requirements.

Rule 803. The fee implications of the proposed changes to new source review requirements for attainment pollutants will again follow those changes described above for nonattainment requirements (Rule 802). The proposed offset trigger for attainment pollutants is more relaxed than the current trigger, which could result in higher emissions and higher emissions based fees.

Industry has argued that lowering the aggregate amount of exemptions allowed per source would not improve air quality, but only serve to increase fee revenues by putting additional equipment on permit. Staff differs with industry's contention. Many APCD programs such as air monitoring, regional air quality planning, emission inventory, and rule development are needed because of air pollution emitted by sources in the county. Making only those companies that are subject to emission control requirements pay for the entire cost of these programs is unfair. These costs should shared by all who pollute.

Lowering exemption thresholds and putting additional equipment on permit will also tend to lower the amount of pollution emitted by the equipment. Putting exempt equipment on permit will subject the equipment to permitting and annual emission fees. The APCD has witnessed many instances where the regulated community has gone to great lengths to avoid costs associated with air pollution permits and fees. Lowering exemptions would put these powerful forces to work at cleaning up emissions from currently exempt equipment.

5. District Staffing

Changes in APCD staffing that may result from the proposed revisions are comprised of two components: start-up and ongoing staffing requirements.

5.1 Start-up Staffing Requirements

The proposed revisions contain substantial changes to the APCD's permitting and new source review rules, and establish new regulatory programs (for example, Rule 806 - Emission Reduction Certificates).

Implementation of the new and revised rules will be carried out by the Engineering Division of the APCD. In anticipation of these rules, progress is currently under way to accommodate many of these changes. Complete implementation will take considerable time and will include the following tasks:

Table 5.1 Staffing and Implementation Impacts

Rule	Rule - Issue	New Task?	New - Revised Forms?	New - Revised Procedure?	Staff and Outreach Training?	Cumulative Effect - Short-term Staffing
201	Consolidated ATC/PTO for qualifying sources	No	Yes	Yes	Yes	Increase
202	Change in exemptions	No	Yes	Yes	Yes	Increase
208	Expedited permits	No	Yes	Yes	Yes	Increase
802	Change in emission triggers for Best Available Control Technology and emission offsets for nonattainment pollutants.	No	Yes	Yes	Yes	Increase
803	Change in emission triggers for Best Available Control Technology and emission offsets for attainment pollutants	No	Yes	Yes	Yes	Increase
806	Emission Bank	Yes	Yes	Yes	Yes	Increase
Total	Sum of changes	-	-	-	-	Increase

As indicated, the proposed revisions will require substantial work by the APCD to implement. The majority of these tasks will be accomplished within six months following the adoption date. Shortly after rule adoption, APCD staff plan to hold implementation workshops on the revised rules. APCD staff project 1.0 staff person will be needed over a six month period to develop the infrastructure necessary to successfully begin implementing the proposed rule changes.

5.2 Ongoing Staffing Requirements

The proposed revisions to Regulations II and VIII contain some provisions that may decrease the long-term need for permitting staff while other provisions may increase this need. Expected implications of the proposed changes on the APCD's ongoing staff needs are summarized below.

Table 5.2 Ongoing Staffing Requirements

Rule - Requirement	Effect on Long- Term Staffing
Rule 201 - Consolidated ATC/PTO	Decrease
Rule 202 - Change in Exemptions	Neutral
Rule 208 - Expedited Permits	Decrease
Rule 802 - Change in emission triggers for Best Available Control Technology and offsets for nonattainment pollutants	Neutral
Rule 803 - Change in emission triggers for Best Available Control Technology and offsets for attainment pollutants.	Neutral
Rule 806 - Emission Reduction Credits	Increase
Cumulative Change	Neutral

A quantitative assessment of the effect of the proposed rule changes on APCD long-term staffing needs would require complete information on exempt equipment and accurate predictions of the type and size of future growth. Such changes are beyond the APCD's capabilities to predict. In general, the APCD's qualitative estimate is that the proposed changes will streamline many aspects of the APCD's permitting process resulting is a decreased demand for APCD staff labor. This saving may be offset primarily due to staff labor needed to implement the proposed source register. The actual outcome will depend on how much the source register is used. Any increase in staffing that may result is adequately covered by the fee provisions of Rule 210. Staff is therefore not proposing a revision to Rule 210 in response to the proposed rule revisions at this time.

6. Proposed Rules

The following subsection describes the proposed rule revisions. An overview of the permitting process illustrating key interrelationships between rules and regulations is depicted in Figure 6.1 (figures are given at the end of the chapter). Full text of the proposed revisions is given in the Attachment. The proposed rule text contains a number of annotations clarifying the nature and source of most proposed rule changes.

6.1 Proposed Rule 102. Definitions

The proposed rule begins with a reference that explains that definitions can be found in three places: in Rule 102 if they apply to the entire rule book, in the rule itself if they apply only to that rule, and in the first rule of a regulation if they apply to the entire regulation.

Most of the definitions added to proposed Rule 102 are from existing Rule 205.C. Other definitions were added at the direction of USEPA (e.g. air quality related value, construction, federally enforceable, major modified stationary source, secondary emissions). The rest of the new definitions were designed by District staff. For example, "small source", "medium source", and "large source" were designed to allow faster and easier permit processing for relatively less complex and lower emitting sources.

Several definitions were deleted. "Best Available Control Technology", for example, is now defined with the provisions that trigger it. In its place in Rule 102 is a reference to the appropriate rules. "Cancellation of Application" was moved to Regulation II. "CARB" was changed to "Air Resources Board." "Stationary Source" was replaced with the existing definition from 205.C.

Some definitions were modified. To ensure consistent enforcement, test methods were added to definitions containing physical characteristics that require testing to be determined. The reference to Jalama Creek in the definition of "Zones of Santa Barbara County" divides the ocean into North and South Zone so that the zone of a tideland or Outer Continental Shelf source can be determined for offset purposes.

The APCD's approach to defining "replacement" has been subject to considerable comment by U.S. EPA. The issue of "replacements" affects Rule 102, Regulation II and Regulation VIII. Because the rules are interrelated with respect to replacements, the rule changes for replacements are discussed here.

In the current rule the replacement of a piece of equipment with an identical piece of equipment is exempt from permit provided emissions are not increased and there is no potential for violating any ambient air quality standard (202.A.6). Also under the present rule, "equivalent replacements" are subject to permit review but are not subject to new source review requirements provided the replacement:

- Has an operating design capacity or actual demonstrated capacity less than or equal to that of the original equipment [205.C.1.a.21)]
- Does not replace a piece of equipment that is subject to permitted emission limits. [205.C.1.a.21)]

U.S. EPA commented on rule section 202.A.6 and stated that identical replacements may not qualify as an allowable exemption and the net emission increase associated with a replacement must therefore be evaluated before the APCD can determine no permit is required¹. U.S. EPA also commented on rule section 205.C.1.a.21) indicating that the APCD cannot exclude replacement from its definition of modification because replacements may not be routine and may constitute a comprehensive life extending project which are the very changes new source review was intended to cover². In short, the only exemptions allowed by U.S. EPA are "routine replacements".³

In response to U.S. EPA comment and federal mandates, APCD staff is proposing to revise its approach to "replacements." Staff is proposing to revise the definition of "modification" in Rule 102 to provide that "non-routine replacements" shall constitute a modification. Staff also added a new exemption in Rule 202 that exempts "equivalent routine" replacements from permit review and new source review. Under the proposed approach, replacements will need a permit unless the replacement constitutes an "equivalent routine" replacement. Staff does not believe that this change represents a major departure from the district's current approach to "replacements." For more details on this provision please refer to Rule Clarification Issues, Section 8 of this staff report.

6.2 Regulation II. Permits

Regulation II contains the administrative rules that guide applicants through the APCD permitting system. It addresses the fundamentals of what needs a permit, what is exempt, when and how to apply for a permit, permit application contents, standards, and timeframes for submittal of materials and actions by the APCD and the applicant. A tabular comparison of current and proposed revisions to Regulation II is given in Table 6.1(attached at the end of the chapter due to its length). A tabular comparison of the major elements of the proposed revisions to rules of other local districts, either adjacent to Santa Barbara County or with similar air quality problems is given in Table 6.2 (also attached at the end of the chapter).

The proposed changes to Regulation II are many, and in sum, amount to a major overhaul of the permitting rules. The proposed revisions simultaneously accomplish several goals:

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Letter from Matt Haber, U.S. EPA Region IX, to Doug Allard, APCO, SBCAPCD, p. 2, March 23, 1995.

ibid.. at pp. 5-6. 40 CFR 52.21.(b)(2)(iii)(a)

- Broad sections of proposed new Regulation VIII (New Source Review) consist of language until now located in Regulation II. Many other changes to Regulation II are necessary to accomplish compatibility with proposed new Regulation VIII.
- The Permit Streamlining Act (AB 2781, Sher), now Health and Safety Code Section 42320 et seq., necessitates revisions to Regulation II.
- The APCD recognizes the need to provide relief in the form of new exemptions for certain small sources of emissions, while at the same time heeding necessary guidelines and recommendations of the U.S. Environmental Protection Agency, California Air Resource Board, and the California Air Pollution Control Officers Association.
- Staff and industry have, over the years, identified many issues relating to format, organization, clarity and consistency with other APCD rules and regulations that need to be addressed.

6.2.1 Rule 201 (Permits Required)

Proposed Rule 201 has been reformatted to begin with an applicability section, and as previously, defines who must obtain an Authority to Construct (ATC) and a Permit to Operate (PTO). The Source Compliance Demonstration Period (SCDP), is now more specifically defined and described.

An option is provided for a consolidated authority to construct/permit to operate for certain sources. An internal Policy & Procedure will be prepared to implement consolidation for modifications where there will be no construction of new equipment, the emission increase does not trigger Best Available Control Technology, there is no air quality impact, and no need for a source compliance demonstration period. A source meeting these criteria that wishes to take advantage of the consolidated ATC/PTO would file a combined ATC/PTO application. Only one application and evaluation fee would be required.

Language more appropriate to permit application contents has been moved to proposed Rule 204 (Applications), i.e., former Section 201 C. now resides at proposed Section 204 E.

New language is proposed on requirements for Permit Reevaluation, Notification to Officials, Posting of Authority to Construct or Permit to Operate, Absence of Permitted Equipment, and Inoperability of Permitted Equipment.

New text has is proposed that clarifies APCD permitting requirements for dredges and pipeline and derrick barges: such activities are subject to permit.

6.2.2 Rule 202 (Exemptions to Rule 201)

Rule 202 lists sources, equipment, and activities exempt from permit under Regulation II and from new source review under Regulation VIII. Equipment and activities exempt under

Rule 202 do not count towards net emission increase or potential to emit except when aggregate de minimis is zeroed by adding the emissions to a source's permitted emissions and net emissions increase. Key provisions of Rule 202 are illustrated in flowchart format in Figure 6.2.

Proposed Rule 202 has been reformatted to begin with a section on applicability, and as previously, defines who is exempt from the requirement to obtain an authority to construct or a permit to operate. The rule has been reformatted to group similar categories of equipment together.

New exemptions are provided for a number of new equipment/activities included but not limited to temporary equipment, amusement rides, air shows, portable steam cleaning equipment, fuel cells, architectural coating application, rail cleaning, air brushing, aerobic wastewater treatment equipment, stenciling and dyeing, paving activity, contaminated soil bioremediation, safety flares, and barbecue equipment. Exemptions for certain semiconductor manufacturing operations have been added subject to a one ton per year per equipment category emission limit.

A 25 ton per year gatekeeper has been provided for combustion equipment. Other exemptions (besides those subject to the 1 ton or 25 ton gatekeeper) are subject to a 10 ton per year gatekeeper.

The de minimis modification exemption has been revised to reflect daily emission limits, rather than hourly limits. Language has been added clarifying how this provision will be implemented and restrictions on its use.

Exemptions for engines on work-over rigs and drilling rigs are deleted. Text has been added to indicate that the equipment is exempt until the California Air Resources Board has its portable equipment regulation in place. At that time, the equipment must either comply with the state's regulation or be under APCD permit.

Rule text has been added that allows the use of actual emissions with recordkeeping or potential to emit without recordkeeping for the purpose of determining if equipment at a source qualifies for exemption (i.e., is less than an applicable gatekeeper).

6.2.3 Rule 203 (Transfer)

Proposed Rule 203 has been reformatted to begin with a section on applicability. The rule is changed from a one-sentence requirement to several paragraphs which cover change in business name only, transfer of ownership only, change in operator only and review of permit conditions. Also included is language based on Health & Safety Code Section 42301(f) requiring compliance with all applicable rules and regulations.

6.2.4 Rule 204 (Applications)

Proposed Rule 204 has been reformatted to begin with a section on applicability. The rule is now a comprehensive summary of information that may be required to be submitted with

an application. Much of Section E. is language formerly located in Rule 201, Section C. and includes information which applies only to those sources whose emissions trigger requirements for sources subject to Best Available Control Technology (Best Available Control Technology), Air Quality Impact Analysis (AQIA), Description of Emission Reduction Credits (ERCs), and Health Risk Assessment (HRA).

6.2.5 Rule 205 (Standards for Granting Applications)

Proposed Rule 205.C has been largely superseded by Regulation VIII. The definitions pertaining to New Source Review now appear in Rule 102, if they apply to the entire rule book, or in Rule 801, if they apply only to Regulation VIII. The remaining language has been left fairly intact, with some clarification. Language has been added pertaining to the requirements of CEOA and the rules in effect at the time of application completeness.

Sections of Rule 205 that dealt with resource recovery and cogeneration have been deleted from the rule since they are no longer treated differently than other industrial processes as there is no growth allowance in the Clean Air Plan for these sources. This addresses a major inadequacy US Environmental Protection Agency identified in the current rule.

6.2.6 Rule 208 (Action on Applications - Time Limits)

Proposed Rule 208 has been reformatted to begin with a section on applicability. Much of the language is new and was developed in response to permit streamlining legislation requirements for expedited permit processing times. Definitions of "Large", "Medium", and "Small" sources are in Rule 102. Permit processing and applicable time lines are illustrated below. Note that the determination of which category a source fits into depends not only on the quantity of emissions from the source, but also on the complexity of the source. Permit processing times for large sources remain unchanged, processing times for medium and small sources have been shortened as indicated by the following Table. The permitting process and timelines are depicted graphically in Figure 6.2.

Table 6.3 Permit Processing Time Limits

ACTION	LARGE SOURCE (days)	MEDIUM SOURCE (days)	SMALL SOURCE (days)
Application completeness determination	30	30	30
Additional Information to Correct Incompleteness	120	120	120
Appeal of Second Incompleteness Determination	60	60	60
Final Action on Complete Application for an ATC	180	90	30
Final Action on Complete Application for Permit to Operate	120	60	NA combined ATC/PTO

Small sources electing to review drafts of their permits are subject to medium source processing time, and permits are not automatically issued if the APCD fails to meet the 30 day deadline.

6.3 Regulation VIII. New Source Review

Regulation VIII is the APCD's New Source Review regulation and describes the permitting requirements applicable to larger new or modified sources of nonattainment and attainment pollutants. It also contains the APCD's proposed Rule 806, Emission Reduction Credits. A comparison between the current and proposed rules for major rule elements is given in Table 6.4 (end of chapter). An inter-district comparison of these same requirements is given in Table 6.5 (end of chapter).

6.3.1 Rule 801 (New Source Review)

Proposed new Rule 801 states general requirements and other aspects of general applicability of the APCD's new source review rule (Regulation VIII).

Section C provides definitions of terms used throughout Regulation VIII. New definitions have been added to clarify requirements. For example, definitions of net emission increase, federally enforceable, permanent, quantifiable, and surplus were added to this end.

6.3.2 Rule 802 (Nonattainment Review)

Proposed new Rule 802 is composed predominantly of the new source review provisions of Section C of existing Rule 205. It provides the main requirements which new or modified sources of nonattainment pollutants must meet. The requirements of Rule 802 are depicted in flowchart format in Figure 6.4. A comparison employing numerical examples demonstrating the implications of the proposed revisions are given in Table 6.6 (attached at end of chapter). Additional clarifications of many of the key requirements of Rule 802 are provided in Section 8.

The Best Available Control Technology trigger has changed (for criteria pollutants) from source Net Emission Increase of 2.5 pounds per hour to a 25 pounds per day for a new stationary source or project at an existing source. Hence, some cases that currently trigger Best Available Control Technology would not do so under the proposed rule. Replacements with a potential to emit over 25 pounds per day that do not qualify as "equivalent routine" replacements have the same obligation as other equipment installations to minimize emissions via Best Available Control Technology. A reconstructed source, however, is subject to full NSR analysis. A reconstructed source is one that costs over 50 percent of a comparable entirely new source.

A change to the offset threshold is also proposed. The magnitude of the threshold would change from 5 pound per hour (if AQIA shows air quality standard interference), 10 pound per hour, 240 pounds per day, or 25 tons per year to 55 pound per day, or 10 tons per year. Although this appears to decrease the thresholds, it is important to note that the Net Emission Increase is the sum of emission changes since November 15, 1990 instead of 1979, resulting in a smaller Net Emission Increase for sources with emission increases before November 1990.

Staff is proposing to change the emission offset ratios for nonattainment pollutants.

Proposed Rule Issue **Existing Approach** North and South County Zones Same as existing 1.2:1 within 7.5 miles of the Minimum Offset Ratio 1.2:1 within 15 miles of the proposed source proposed source Up to 6:1 depending on the Maximum Offset Ratio 1.5:1 within zone distance 6.0:1 between north and south Intercounty Offsets Allowed between South County * 6.0:1 contemporaneous and Ventura County North - South County Offsets Not allowed Allowed at 6:1

Table 6.7 Offset Ratios

The three major proposed changes to the offset ratios follow:

• Minimum offset ratio: Under the existing rule, the minimum offset ratio of 1.2:1 is allowed for offset sources located within 15 miles of the new or modified source needing offsets. Under the proposed rule, the minimum offset ratio would remain at

- 1.2:1, however, the minimum ratio would apply only to those offset sources located within 7.5 miles of the source needing offsets.
- Maximum offset ratio: Under the existing rule, the offset ratio varies by distance, and can reach 6:1. Under the proposed rule changes, the maximum offset ratio is also 6:1. The new maximum ratio applies to offset trades between the North and South zones of the air district and for offsets originating in adjacent portions of Ventura County.
- Intracounty offsets: Under the existing rule, trading offsets for non-attainment pollutants between North and South county is not allowed. Under the proposed rule, such trading is allowed at 6:1. This change is recommended because of the body of scientific evidence which indicates that air pollution is transported between north and south county.

It is difficult to determine if the proposed ratios are less and more stringent than the existing requirements. All ratios are designed to result in net air quality benefit. The issue is therefore whether the new ratios will result in equivalent or greater benefit than current requirements. It is difficult to provide a quantitative assessment because such an analysis would depend on predictions of the location and size of sources needing offsets and the location of size of sources providing offsets. Such predictions are beyond the APCD's scope. Staff compared the offsets requirements of the old and new rule for projects that triggered offsets requirements in the past. The new rule would have produced fewer NOx emission reductions but more ROG reductions.

6.3.3 Rule 803 (Prevention of Significant Deterioration)

Proposed new Rule 803 is essentially the same as the Prevention of Significant Deterioration provisions of Section C of existing Rule 205. USEPA has delegated to the District jurisdiction to administer the Prevention of Significant Deterioration program. The requirements in this rule are consistent with requirements made necessary by the federal delegation. A graphic depiction of Rule 804 is given in Figure 6.5.

The hourly Best Available Control Technology thresholds would be eliminated for criteria pollutants. This reduces the ability of the District to prevent emission "spikes" but the reduced recordkeeping is a substantial benefit to industry. Energy, economic and environmental concerns would be factored into the Prevention of Significant Deterioration Best Available Control Technology analysis under the change to this definition requested by USEPA. This change incorporates a USEPA administrative appeal decision that requires consideration of the effects of a given control alternative on emissions of toxics or hazardous pollutants. Section 803.F.3 implements 40 CFR 52.21(p) by requiring analysis of impact on air quality related values as identified by the Federal Land Manager.

The nature of the offset threshold would change in that Net Emission Increase would be the sum of emission changes since 1990 instead of 1979. The magnitudes of the thresholds and the offset liabilities remain unchanged. However, three new pollutants have been added to the Prevention of Significant Deterioration list in response to comment by the US Environmental Protection Agency comment. These waste incineration pollutants that

trigger full Prevention of Significant Deterioration review have been added in accordance with 40 CFR 52.21.(b)(23). The threshold for Visibility, Soils and Vegetation Analysis has been changed from 20 pounds per day to the various threshold quantities in accordance with 40 CFR 52.21(o).

Federal requirements to apply Best Available Control Technology to any project within 10 kilometers of a Class I area that would have an impact exceeding 1 microgram per cubic meter and to analyze the impact on air quality related values have been added. Other provisions in this rule are substantively unchanged from existing Rule 205.C.

6.3.4 Rule 804 (Emission Offsets)

This rule sets out the conditions required to fulfill an offset obligation once it has been triggered by Rule 802 or 803. Existing Rule 205 used the term "tradeoffs" to refer to emission reductions used to offset emission increases. To avoid confusion, all references to "tradeoffs" have been eliminated in favor of the term "offsets". No change in meaning is achieved or intended.

Although most of the provisions of this rule are unchanged from existing Rule 205.C, some federal requirements that have evolved since 205.C was last substantially modified were added. For example, the requirement that emission reductions proposed as offsets be surplus, enforceable, quantifiable and permanent is new. Also, the transport mitigation provisions of the federal Clean Air Act have been added. Although new, prohibitions on credit for shifts-in-load and inelastic demand arise from state and federal requirements that creditable decreases be actual decreases, which must be "real".

The conditions under which offsets outside the County may be used have been changed. New provisions require the county where the offsets are obtained to have the same or worse air quality than Santa Barbara County, and that the applicant demonstrate that the emissions in the adjacent county where the offsets are obtained contribute to the air pollution problem in Santa Barbara County. Consistent with these requirements, the rule allows offsets from the adjacent area of Ventura County (Oxnard coastal plain) at a ratio of 6 to 1 provided the emission reductions are contemporaneous.

6.3.5 Rule 805 (Air Quality Impact Analysis and Modeling)

This rule applies to both attainment and nonattainment pollutants, but only once the amount of either have already triggered AQIA under Proposed new Rules 802 or 803. The requirements of the proposed rule exist already in current Rule 205. The only substantive change is the updated USEPA Modeling Guideline document, and the language that provides for use of the current version, eliminating the need to revise the rule each time the method is updated. The definition of stack height has been conformed to USEPA guidance. The mechanism by which modeling costs incurred by the APCD are reimbursed is described in Section D.1.

6.3.6 Rule 806 (Emission Reduction Credits)

The main purpose of an emission reduction credit rule is to preserve the baseline calculation for "actual emissions." No other right is granted by the Rule and no preexisting right to pollute is created by adoption of the Rule.

Emission reduction credit systems are widely considered to be a way to encourage voluntary emission reductions. An ERC system provides a way to convert emission reductions that meet certain eligibility requirements to credits that can be used as emission offsets. The existing offset process requires that reductions be processed at the same time as the permit for the emission increase. An ERC system makes this contemporaneous processing unnecessary by providing a way to officially establish offsets for future use.

A system for creating and managing emission reduction credits is being added to the current NSR rule. As such, the rule is entirely new. The APCD does not hold ERCs while they are not being used. Rather, the APCD ERC system is a ledger, called the Source Register, that tracks who was issued how much credit for what type of pollutant.

The rule establishes eligibility requirements for emission reductions proposed for use as offsets. Applications for credit must be complete before a reduction occurs so that the amount of reduction may be quantitatively determined. ERCs as well as offsets must be surplus, permanent, quantifiable, enforceable and must otherwise meet the requirements of APCD rules and the US Environmental Protection Agency in order to be eligible. In order to use reductions currently recognized under existing banking contracts with the District, the reduction must meet the conditions of the old banking agreement and the requirements of Rule 806. If a source is exempt from permit and the operator wishes to get ERCs for emission reductions from that source, a permit must be obtained for the reductions. In those instances where the source of the ERCs is exempt from APCD permit by statute, a contract between affected parties is required. Also, the US Environmental Protection Agency requires that ERCs be discounted by Reasonably Available Control Technology at the time of use. This ensures that the ERCs remain "surplus" to any air quality plans necessary to achieve attainment of the health standards.

A shutdown disincentive in the form of discounting by Best Available Control Technology or 20 percent is also proposed. ERC processing is similar to permit processing. Public notice thresholds track the offset requirements for attainment and nonattainment pollutants. The rule provides further for issuance of certificates, renewal, and transfer. ERC processing is financed through existing District cost reimbursement provisions (i.e. Rule 210).

6.4 Changes to Rules that Reference Rule 102 or Reg. II

Several District rules contain references to existing Rule 102 or Regulation II. Staff is recommending changes to those rules to update the references where the rule or regulation being referenced has been changed. The proposed new rule language is given in the Attachment in strikeout/underline format. The following table summarizes the changes staff is proposing:

Table 6.8
Required Changes to Other APCD Rules

Rule	Rule Section	Existing Text	Revised Text
Number- Page			
1301-3	Section C. Definition of "Federally Enforceable Requirement"	"District Rule 205.C requirements in the state implementation plan approved by the USEPA"	"District New Source Review Rule (Currently Titled as Rule 205.C, being proposed as Regulation VIII) requirements in the state implementation plan and approved by the USEPA"
1301-4	Section C. Definition of "Insignificant Activities"	"Insignificant Activities" mean those equipment, operations and activities listed as exempt from District permitting pursuant to Sections A.1., A.2., C, D, E and F of District Rule 202 (Exemptions to Rule 201).	"Insignificant Activities" mean those equipment, operations and activities listed as exempt from District permitting pursuant to Sections D.3., D.4., and F through G of District Rule 202 (Exemptions to Rule 201).
1301-4	Section C. Definition of "Insignificant Emission levels"	"Insignificant Emissions levels" mean the emissions levels: (a). specified as exempt from District permitting pursuant to Section A.3. of District Rule 202; or, (b). de minimis levels of HAP emissions which do not trigger any Part 70 permit modifications.	"Insignificant Emissions levels" mean the emissions levels: (a). specified as exempt from District permitting pursuant to Section D.6. of District Rule 202; or, (b). de minimis levels of HAP emissions which do not trigger any Part 70 permit modifications.
1301-5	Section C. Definition of "Net Emission Increase"	"Net Emissions Increase" for a Part 70 source means the net emissions increase as defined under the District New Source Review Rule 205.C.	"Net Emissions Increase" for a Part 70 source means the net emissions increase as defined under the District New Source Review Regulation VIII
1301-9	Section C. Definition of "Significant Part 70 Permit Modification"	A Part 70 permit modification allowing a net emissions increase from a Part 70 source that equals or exceeds any of the threshold limits triggering public review, listed in the District's NSR Rules 205.C.5.b.1)a)(2)(c) and 205.C.5.c.6)	A Part 70 permit modification allowing a net emissions increase from a Part 70 source that equals or exceeds any of the threshold limits triggering public review, listed in the District's NSR Rules 802.G.1.b.2) and 803.K.6.
333-4	Section D.5.C Requirements, Alternate Emission Control Plan.	The required tonnage of emission reductions shall be calculated using a 90% (80% for lean burn engines) reduction from an uncontrolled emission factor of 2000 lb. of NOx/MMSCF fuel used, with the baseline fuel usage calculated in accordance with Rule 205.C.4.a.3.	The required tonnage of emission reductions shall be calculated using a 90% (80% for lean burn engines) reduction from an uncontrolled emission factor of 2000 lb. of NOX/MMSCF fuel used, with the baseline fuel usage calculated in accordance with Rule 802.F.2.

Table 6.8
Required Changes to Other APCD Rules

Rule	Rule Section	Existing Text	Revised Text
Number-	Rule Section	Existing Text	Reviseu Text
Page			
333-5	D.5.g Requirements Alternate Emissions Control Plan	Provide that the emissions reductions for any engine required under Rule 205.C. shall not be used to reduce the emission reductions of any other	Provide that the emissions reductions for any engine required under Regulation VIII, New Source Review, shall not be used to reduce the emission
333-5	D.5, Paragraph near bottom of section.	engine. The AECP may be modified at a future date to incorporate equivalent replacement engines which meet the requirements of	reductions of any other engine. The AECP may be modified at a future date to incorporate equivalent replacement engines which meet the requirement of
339-2	C.8. Definition of "Exempt Compounds"	Rule 205.C.1.a.21)c). "Exempt Compounds" means those compounds listed as exceptions in the definition for ROC in Rule 102.PP. (Note: These compounds are under review and may be subject to control at a later date.)	Rule 202.D.7. "Exempt Compounds" means those compounds listed as exceptions in the definition for ROC in Rule 102. (Note: These compounds are under review and may be subject to control at a later date.)
342-1	B.1.d Exemptions	Equipment that does not require a permit under the provisions of Rule 202 Section D.	Equipment that does not require a permit under the provisions of Rule 202.
210-1	B.1 Evaluation Fee	(1) the application is for a source which the District determines has the potential to require offsets (or trade-offs), air quality impact analysis, computer modeling or monitoring pursuant to Rule 205 C,	(1) the application is for a source which the District determines has the potential to require offsets (or trade-offs), air quality impact analysis, computer modeling or monitoring pursuant to Regulation VIII,
210-6	D.1.a	a. Pursuant to Rule 205 A., prior to the issuance or reissuance of any permit.	a. Pursuant to Rule 205 D., prior to the issuance or reissuance of any permit.
210-8	F.1.a.	All holders of District permits for Authority to Construct (ATC) or Permit to Operate (PTO) whose stationary source, as defined in Rule 205.C.1.a.32).	All holders of District permits for Authority to Construct (ATC) or Permit to Operate (PTO) whose stationary source, as defined in Rule 102.
210-10	H.2.	2. For stationary sources evaluated under Rule 205 C., the annual fee due for each contaminate shall be reduced by the "increment fee" as specified in Rule 205.C. paid for that contaminate during the prior twelve months.	2. For stationary sources evaluated under Regulation VIII, the annual fee due for each contaminate shall be reduced by the "increment fee" as specified in Regulation VIII paid for that contaminate during the prior twelve months.

Table 6.8
Required Changes to Other APCD Rules

Rule Number- Page	Rule Section	Existing Text	Revised Text
316-7	J.4.	4For the purpose of Rule 201 and 205, installation of hold open latches shall not be considered to be a modification.	4For the purpose of Regulation II and Regulation VIII, installation of hold open latches shall not be considered to be a modification.
321-8	J.2	aggregate liquid surface area of all degreasers at a stationary source, as defined in Rule 205.C., covered by this exemption is greater than 0.93 square meters (10 square feet).	aggregate liquid surface area of all degreasers at a stationary source, as defined in Rule 102., covered by this exemption is greater than 0.93 square meters (10 square feet).

TAULE 6.1

RULE SECTION	CURRENT RULE	PROPOSED RULE
Applicability	NA	A. Describes who must obtain permits.
Exemptions	NA	B. Directs the reader to Rule 202 to determine who is exempt from permit
Definitions	NA	C. Directs the reader to Rule 102 for definitions which apply to the entire rulebook. Defines terms limited to interpretation of Rule 201
Requirement - Authority to Construct	A. Authority to Construct	D.1 Clarifies current language. D.2 Specifies that dredging, pile driving, pipe laying and derrick barges require permits.
Requirement - Permit to Operate	NA	E.1 New language describes requirements of the Source Compliance Demonstration Period.
	B. Permit to Operate	E.2 Retains current language.
	NA	E.3. Adds a provision for a consolidated ATC/PTO.
	C. New Source Review	Deleted from Rule 201. Reorganized, clarified and moved to Rule 204, Section E
Requirement - Expiration of Authority to construct	NA	F. Specifies that an unused ATC expires after one year.
Requirement Permit Reissuance and Reevaluation	NA .	G. Describes permit renewal requirements.
Requirement - Notification to Officials	D. Describes requirements for APCO to notify other agencies of requirements to obtain permits.	H. Current language deleted and replaced with language which refers to government code sections to comply with CEQA requirements
Requirement Posting of ATC or PTE	E. Describes requirements for posting of permits	I. Reworded to include ATC.
Requirement - Absence of Permitted Equipment	NA	J. New language to prevent permits from surviving equipment that has ceased to exist
Requirement - Inoperability of Permitted Equipment	NA .	K. New language to prevent emission from permitted equipment that is not functional.

TABLL J.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Applicability	Leading sentence	A. Language Unchanged
Exceptions	NA	B. New section to address Emission Reduction Credits.
Definitions	NA	C. New section. Directs reader to Rule 102 (Definitions).
General Provisions	NA	D.1 Lead-in language transfered from current section A.4.
	A.1 Vehicles, except mounted contrivances otherwise requiring a permit.	D.3. Language unchanged.
	A.2 Trains, aircraft	D.4 Language unchanged.
	NA	D.5 New exemption for temporary equipment used <60 days/yr, which emits <1 ton.
	A.3 De Minimis. Exempts modifications <0.10 lb/hr affected pollutants, 0.80 lb/hr CO	D.6 De Minimis. Emission limits expressed in lbs/day. Excludes sources subject to NSPS, NESHAP, HAP. Requires documentation.
	A.4 Stationary Source. Exempts sources <1.0 tpy except sources subject to NSPS, NESHAP, HAP, Title V.	D.7 Clarified to indicate actual emissions. Last paragraph moved to become Section D.1.
	A.5 Repair and maintenance	D.8 Language changed to specify routine repair and maintenance. Wording added re structural change .for consistency with H&SC and CAPCOA recommendations.
	A.6 Identical replacement	D.9 The term "identical" replaced with "equivalent routine". Language added to specify equivalency.
	A.7 Exemption for list of heavy metals, others.	D.10 Language changed to specify potential to emit. List adds EPA municipal waste requirements.
	A.8 Exception for items requiring a permit under other District rules.	D.11 Unchanged.

TABLE _.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
General Provisions (Cont'd)	A.9 Equipment exempt when installed.	Deleted.
	NA	D.12 New exemption for control equipment attached to exempt equipment.
	NA	D.13 New exemption for change of location within source boundaries.
	NA	D.14 New exemption for application of architectural coatings.
Compliance with Rule Changes	B. Provides time for permit application for sources losing an exemption due to rule changes.	E. Unchanged.
Internal Combustion Engines	C. Piston Type Internal Combusion Engines	F. Internal Combustion engines. Now applies to other than piston type engines.
	C.1 No exemption allowed for equipment which powers exempt equipment unless it meets specified conditions.	F.6 Moved to the end of the section for clarity.
	C.2.a Agricultural Equipment	Deleted. Identical to D.1.
	C.2.b Aircraft and locomotives	F.1.a Unchanged.
	C.2.c Marine vessels	F.1.b No longer specific to cargo vessels.
	C.2.d Vehicles except mounted engines.	F.1.c Unchanged.
	C.2.e Engines for emergency power generation, 200 hrs/yr or less.	F.1.d Specifies piston-type ICE.
	C.2.f Engines 100 bhp or less unless total <500 bhp.	F.1.e Specifies <u>piston-type</u> ICE. Includes gas turbines 3 MMBtu or less.
	NA	F.2 Portable Equipment per H&SC 41750. A "sunset" provision is added.
	C.2.g Engines on workover rigs	Deleted.
	C.2.h Drilling rig engines	Deleted

TABLE (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Internal Combustion Engines (Cont'd)	C.3. Construction activites.	F.3 No substantive language changes.
	NA	F.4 New exemption for airshows and amusement rides at fairs and carnivals.
	NA	F.5 New exemptions for military tactical support equipment, environmental control systems and cargo handling equipment at space launch facilities, if less than 50 bhp.
Combustion Equipment (Other than IC Engines)	D.1 Equipment which provides energy to exempt equipment is not exempt unless it meets specified conditions.	G.2. No substantive change.
	NA	New lead-in to section. New 25 ton per year aggregate gatekeeper.
	D.2 Maximum heat input < 5 MMBtu steam generators, boilers, <10 MMBtu for ovens, kilns, etc	G.1 Maximum heat input of <5 MMBtu/hr exempt. Equipment ≤ 1 MMBtu/hr does not aggregate, towards the 25 ton per year limit. Natural gas specifications clarified.
		G.3 Combustion equipment exempt in other sections does no count towrd the 25 tpy limit.
Storage and Transfer Equipment	E. Limit ≤150 lb/day affected pollutants, 600 lb/day CO.	V. Storage and Transfer Equipment and Operations. New section of reformatted rule. Gatekeeper 10 tons per year, PTE with no recordkeeping, actuals with recordkeeping requirement.
	E.1	I.1 Unchanged
	E.2	I.2 Unchanged
	E.3	V.1 Unchanged
	E.4, E.5	Combined into V.2

TABLL .1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Storage and Transfer Equipment	E.6 through E.10	V.3 through V.7 Unchanged
(cont)	E.11	V.8 now includes compressed gasses
	E.12	U.1 Unchanged
	E.13	U.2 New exemptions based on temperature and VOC content.
	E.14	I.3 Unchanged
	E.15	P.1 Unchanged
Miscellaneous Processing	F.1 Heat Exchangers	L.1 Unchanged.
Equipment	F.2 Porcelain Enameling	M.1 Unchanged
	F.3 Curing Ovens F.4	R.1 Unchanged
	Crucible Furnaces	M.2 Unchanged
	F.5 Wax Melting	P.2 Unchanged
	F.6 Ovens, Vinyl Plastisols	R.2 Unchanged
	F.7 Kilns, Ceramic	M.3 Unchanged
	F.8 Foging, Pressing	M.4 Unchanged
	F.9 Sintering	M.5 Unchanged
	F.10 Washing of Metals, Glass	M.6 Unchanged
	F.11 Ovens, Epoxy Resing	R.3 Unchanged
	F.12 Heat Treating Glass or Metals	M.7 Unchanged
	F.13 Crucible Furnaces	M.8 Unchanged
	F.14 Air Conditioning	L.2 Unchanged
	F.15 Refrigeration Units	L.3 Unchanged
	F.16 Cooling Towers	L.4 Unchanged

TABLE v.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Miscellaneous Processing	F.17 Steam Cleaning	L.5 Unchanged
Equipment (cont'd)	F.18 Presses, Extruding	O.1 Unchanged
	F.19 Presses, Rubber Curing	R.4 Unchanged
	F.20 Space Heating	L.6 Unchanged
	F.21 Hydraulic Testing	P.3 Unchanged
	F.22 Sheet-Fed Printing	S.1 Unchanged
	F.23 Tanks, Vessels, Acids	V.10 Unchanged
	F.24 Dyeing and Stripping	J.1 Unchanged
	F.25 Milling, Grinding	O.2 Unchanged
	F.26 Brake Lining	P.4 Unchanged
	F.27 Lint Traps	J.2 Unchanged
	F.28 Food Preparation	K.1 Unchanged
	F.29 Compressors, Natural Gas	L.7 Unchanged
	F.30 Tumblers, Deburring	M.9 Unchanged
	F.31 Shell Core, Shell Mold	M.10 Unchanged
	F.32 Milds, Casting	M.11 Unchanged
	F.33 Abrasive Blast Cabinets	H.1 Unchanged
	F.34 Batch Mixers	Q.1 Unchanged
	F.35 Packaging, Lubricants	Q.2 Unchanged

TABLE v.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Miscellaneous Processing	F.36 Water Emulsions	P.5 Unchanged
Equipment (cont'd)	F.37 Conveying Plastic Pellets	R.5 Unchanged
	F.38 Water Based Adhesives	P.6 Unchanged
	F.39 Smokehouses	K.2 Unchanged
	F.40 Platen Presses	S.2 Unchanged
	F.41 Blast Cleaning	H.2 Unchanged
	F.42 Ovens, Bakeries	K.3 Unchanged
	F.43 Laboratory, Analysis	N.1 Unchanged
	F.44 Inspection, Metal Products	M.12 Unchanged
	F.45 Confection Cookers	K.4 Unchanged
	F.46 Die Casting	M.13 Unchanged
	F.47 Atmosphere Generators	M.14 Unchanged
	F.48 Photographic	S.3 Unchanged
	F.49 Brazing Soldering, Welding	M.15 Unchanged
, +	F.50 Buffing, Polishing	O.3 Unchanged
	F.51 Carving Cutting	O.4 Unchanged
	F.52 Surface Preparation, Plating	M.17 Unchanged
	F.53 Laundry Dryers	J.3 Unchanged
	F.54 Foundry Sand Mold	M.16 Unchanged
	F.55 Gases, Separation from Air	P.7 Unchanged

TABLE 6.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Miscellaneous Processing	F.56 Compression Molding	R.6 Unchanged
Equipment (cont'd)	F.57 Mixers, Rubber, Plastics	R.7 Unchanged
	F.58 Pharmaceuticals, Packing	Q.3 Unchanged
	F.59 Roll Mills	R.8 Unchanged
	F.60 Grinding of Tea, Cocoa	K.5 Unchanged
	F.61 Vacuum Devices	N.2 Unchanged
	F.62 Natural Draft Hoods, Stacks	L.8 Unchanged
	F.63. Vacuum Cleaning	L.9 Unchanged
	NA	H. Abrasive Blast Equipment. New Section. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement.
	NA	I. Coatings Application Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement
		I.4 New exemption for air brushing operations.
		I.5 New exemption for Polyurethane powder coating operations.
	NA .	J. Drycleaning and Fabric Related Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement
	NA	K. Food Processing and Preparation Equipment. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement

TABLE v.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Miscellaneous Processing Equipment (cont'd)	NA	L. General Utility Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement L.10 New exemption for rail cleaning L.11 New exemption for aerobic wastewater plants. L.12 New exemption for ozone generators. L.13 New exemption for water well equipment. L.14 New exemption for fuel cells. L.15 New exemption for portable steam cleaning equipment.
	NA	M. Glass, Ceramic, Metallurgical Processing and Fabrication Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement
	NA	N. Laboratory Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement
	NA	O. Material Working and Handling Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement

RULE SECTION	CURRENT RULE	PROPOSED RULE
Miscellaneous Processing Equipment (cont'd)	NA	P. Miscellaneous Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement P.8. New exemption for paving. P.9 New exemption for bioremediation. P.10 New exemption for safety flares. P.11 New exemption for fire training facilities. P.12. New exemption for flares used in rocket fueling operations. P.13 New exemption for explosive ordnance detonation.
	NA	Q. Mixing, Blending and Packaging Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement
	NA	R. Plastics, Composite and Rubber Processing Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement.
	NA	S. Printing and Reproduction Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement S.4 New exemption for stenciling and dyeing.
	NA	T. Semiconductor and Electronics Manufacturing Equipment and Operations. Aggregate one ton per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement Eight new industry specific exemptions.

TABLE J.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Miscellaneous Processing Equipment (cont'd)	NA	U. Solvent Application Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement Added exemptions for certain solvents based on boiling point and VOC content, use of which does not contribute to the gatekeeper. New exemption for wipecleaning.
	NA	V. Storage and Transfer Equipment and Operations. Aggregate 10 tons per year Gatekeeper, PTE with no recordkeeping, actuals with recordkeeping requirement Combined exemptions based on API gravity. V.10 New exemption for rocket fueling operations.

TABLE 6.1 (cont'd)

RULE SECTION	CURRENT RULE		PROPOSED RULE
Applicability	NA	A.	Section added for consistency with other rules.
Exemptions	NA	B.	Section added for consistency.
Definitions	NA	C.	Directs the reader to Rule 102 (Definitions).
Requirements	The current rule is one sentence which states that permits are not transferable.	D.1	Adds exceptions for some portable equipment, and filing fee. Application constitutes a temporary permit to operate.
	NA	D.1.a	Permitted equipment must comply with rules and regs.
	NA	D.1.b	Requires proof of change of ownership.
	NA	D.1.c	Requires review of permit conditions.
	NA	D.1.d	Revised permit req'd if necessary to comply with rules.
	NA	D.1.e	Requires payment of all associated fees.
	NA	D.2.	Application within 30 days.

TABLE 6.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Applicability	NA	A. Describes to whom the rule applies. Added for conformity with other District rules.
Exemptions	NA	B. Added for conformity.
Definitions	NA	C. Directs the reader to Rule 102 (Definitions). Added for conformity.
Requirements - Permit Application Completeness	The current rule is one sentence in length and provides the Control Officer the authority to prescribe the manner and form of all applications.	D. Current language is retained. Adds the scope information which may be required in an application.
Requirements - Information Required	NA	E. The requirements of this section were formerly located in Rule 201, Section C. Much of the language is new, transposed language is revise reformatted, and reorganized.
	NA	E.1 This section outlines general information requirements.
	NA	E.2 States that information must be sufficient to make a completeness determination.
	NA	E.3. Describes information required where BACT is required, for non-attainment review and for PS review.
	NA	E.4 Describes information required where AQIA is required.
	NA	E.5 Describes information requirements where Emission Reduction Credits are to be used as offsets.
	NA	E.6 Describes information requirements where a Health Risk Assessment is required.

TABLE o.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Applicability	NA	A. Describes to whom the rule applies. New section added for conformity with other District rules
Exemptions	NA	B. Excludes persons subject to Reg XIII. Section added for conformity.
Definitions	NA	C. Directs reader to Rule 102 (definitions). Added for conformity
Requirements - General - Application Form and Completeness	NA	D. Describes application completeness criteria, application timelines and submittal of additional information, denial of application, and automaton.
		 information, denial of application, and extension of time limits. 30 days to determine completeness. New 30 days begins after resubmittal following incompleteness. 60 days for Board to decide on incompleteness appeal. ATC application denied 120 days after filing if info. not submitted, unless extended.
Requirements - Authority to Construct	NA	E. Describes timelines for ATC for small and medium sources, in compliance with permit streamlining requirements. Action on ATC within 90 days for "medium" sources (90 after lead agency action). Action within 30 days for "small" sources on consolidated ATC/PTO application.
		Provision for small modifications at large or medium sources to be processed on small source timeline.

TABLE v.1 (cont'd)

RULE SECTION	CURRENT RULE	PROPOSED RULE
Requirements - Permits to Operate	Provides time limits for action on applications for PTO.	F.1 Current language retained as it affects "large" sources, time limit for action on an application increased from 30 to 120 days. F.2 Language added in compliance with permit streamlining requirements to allow 60 days for action on permit application.

TABLE 6.2

PROPOSED RULE 201 (PERMITS REQUIRED) INTER-DISTRICT COMPARISON

PROPOSED RULE	VENTURA	SAN LUIS OBISPO	BAY AREA	SAN JOAQUIN	MONTEREY
A. Applicability. Language verbatim from H&SC 42300.	Reg II, Rule 10. Similar, no specific applicability section.	Rule 202. Similar, no specific applicability section.	2-1-401. Describes "persons affected". Complex schedule beginning July, 1972 for existing sources to obtain PTO's.	2010.1.,.2. Similar.	Rule 200. Similar, no specific applicability section.
B. Exemptions. Directs reader to Rule 202.	Rule 10. Title directs reader to Rule 23 for exemptions.	No similar language.	All exemptions to permit requirements are in 2-1-113 et seq.	No similar language.	All exemptions to permit requirements are in Rule 201.
C. Definitions. Directs reader to Rule 102, defines specific use terms.	All of VCAPCD definitions are located at Reg I, Rule 2.	No definition section in permitting regulation.	All permitting definitions are in 2-1-200.	No definition section in permitting regulation.	No definition section in the permitting rules.
D.1. Requirements - Authority to Construct. Repeats H&SC 42300. In effect until PTO granted or— denied. May require certification by registered PE.	Rule 10.A. Similar. Specifies that a separate application is required for each non-contiguous property. Rule 16.A. PE certification.	202.A.1. Similar.	2-1-301. Similar. Allows identical replacement without permit-mod.	2010.3. Similar.	200.1. Similar.
D.2. New language specifically requires ATC and PTO for dredges, other waterways equipment.	No similar language.	No similar language.	No similar language.	2020.5.2. Exemptions exclude dredges, piledrivers, etc.	No similar language.
E. Requirement - Permit to Operate. E.1. New language defines Source Compliance Demonstration Period.	No similar language.	202.A.5. Specifies that the ATC operates as a temporary PTO while determining compliance with rules and regs.	2-1-411. Specifies a "start-up period" of up to 180 days.	2010.4.1. ATC serves as temporary PTO.	No similar language.

PROPOSED RULE	VENTURA	SAN LUIS OBISPO	BAY AREA	SAN JOAQUIN	MONTEREY
E.2. Permit to Operate. Retains existing language.	Rule 10.B. Similar. Specifies that a separate application is required for each non-contiguous property.	Rule 202.A.2. Similar.	2 -1-302. Similar.	2010.4. Similar.	200.2. Similar.
E.3. New language provides for consolidated ATC/PTO	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
F. Expiration of Authority to Construct. New language specifies expiration of unused ATC	Rule 21.A. ATC expires in one year if construction not begun unless extended.	Rule 202.C. Similar.	2-1-407. Unused ATC expires after two years, unless extended. No language on expiration	2050.4.1. ATC expires in two years if unused. Some may be extended indefinitely.	Rule 204. ATC expires two years after issuance, unless extended, up to maximum of seven years. No language
after one year. Unused PTO application expires one year from filing.	Rule 21.B. PTO application expires in one year if not operational, unless extended.		of PTO applications.		on expiration of PTO application.
G. Permit Reissuance and Reevaluation. New language, specifies 3-year	No similar language.	210.C. Does not specify renewal cycle, except that it's not more often than	No similar language.	2010.4.3. Applicable to PTO's for existing equipment.	No similar language.
reevaluation cycle, one year renewal cycle.		once/yr. Provides for reevaluation via inspection and compliance determination.		Сфирански	
H. Notification to Officials. Revised language requires notification to officials of other agencies that an ATC may be required and provides for notification of other agencies of ATC	No similar language.	202.A.4. Similar, but does not require District to submit ATC information to agencies.	2-1-412. Requires preparation of a public notice for emissions subject to H&SC 25532 and 44321 (Toxics) within 1000 feet of a school.	No similar language.	No similar language.

PROPOSED RULE	VENTURA	SAN LUIS OBISPO	BAY AREA	SAN JOAQUIN	MONTEREY
I. Posting of Authority to Construct of Permit to Operate. Revised language requires permit to be maintained available, rather than posted on the equipment.	Rule 19. Requires posting of permits "reasonably close" to equipment.	202.A.6 Requires posting on or near equipment or readily available.	2-1-405. Requires posting on or near equipment or readily available.	2010.5. PTO must be affixed or within 25 feet of equipment or readily available.	200.4. Requires posting of permit on or within 25 feet of equipment, or readily available.
J. Absence of Permitted Equipment. New requirement prevents permits from surviving retired equipment.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
K. Inoperability of Permitted Equipment. Requires idle equipment to be in compliance.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

TABLE 6.2 (CONT'D)

PROPOSED RULE 202 (EXEMPTIONS TO RULE 201) INTER-DISTRICT COMPARISON

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
A. Applicability. States to whom the rule applies.	Opening paragraph, no specific applicability section.	No specific applicability section.	No specific applicability section.	Rule 2020.1., .2. Similar	201-1.2
B Specifies that emissions reductions used as ERC are	No similar language.	201.A.a. Except NSPS, NESHAPs.	2-1-110. Overall "gatekeeper" <150	2020.4.1.1. Except NSPS, NESHAPs.	201-1.2.3
not exempt.		201.A.b. Except toxics. 201.A.c. APCO designated.	lb/day.	2020.4.1.2. Except APCO determination. 2020.4.1.3. Except owner request for permit.	
C. Definitions. Directs reader to Rule 102.	No definition section in permitting regulation.	No definition section in permitting regualtion.	2-1-201. Definitions for permitting regulation.	2020.3. Definitions which appear to be specific to the exemption rule.	No definition section in permitting regulation.
D.1 General Provisions. Recordkéeping requirement.	Rule 24 requires that "any stationary source shall maintain records which wil disclose the nature and amounts of emissions", which would appear to apply also to sources exempt from permit. No specific general provisions.	201.A.3. Similar.	No specific general provisions.	2020.4. Similar. 2020.4.3. Similar recordkeeping requirement.	No specific general provisions.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
D.2 Provides for actual emissions with recordkeeping, or potential to emit with no recordkeeping requirement.					
D.3. Vehicles, except mounted equipment otherwise requiring a permit.	Rule 23.D.1., similar.	201.C.1. Same	No similar language.	2020.4.2.5. Same.	201-1.3.1. Same.
D.4. Trains and aircraft.	23.D.1., D.2., related	201.C.2. Similar.	No similar language.	2020.5.2. Similar, excludes dredges, pile drivers.	No similar language.
D.5. Temporary equipment	No similar language.	201.A.1. Not specific to temporary equipment, ≤2 lb/day.	2-1-115.6. Portable ICE ≤30 days/yr.	2020.5.11. Addresses portable units, not specific to temporary.	No similar language.
D.6. De Minimis. Modifications < 2.4 lb/day (19.2 lb/day CO).	No similar language.	201.A.1. Not specific to modifications, ≤2 lb/day.	No similar language.	2020.4.2.1. Not specific to modifications, ≤2 lb/day.	No similar language.
D.7. Stationary Source < 1 tpy.	No similar language.	201.A.1. Not specific to stationary sources, ≤2 lb/day.	No similar language.	2020.4.2.1. Not specific to stationary sources, <2 lb/day.	No similar language.
D.8. Maintenance or repair.	23.F.7. Similar.	201.L.1., L.2. Applicable.	No similar language.	2020.4.2.6. Same.	201-1.3.6. Same.
D.9 Equivalent Routine Replacement	23.J.13 Similar.	No similar language	No similar language	No similar language	No similar language
D.10. Heavy metals, others.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
D.11. Exemptions for general categories do not apply to components otherwise requiring a permit.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
D.12. Control equipment on exempt equipment is also exempt.	No similar language.	No similar language.	2-1-112. Appears to be in direct contradiction.	No similar language.	No similar language.
D.13. Exempts change in location within boundaries of source.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
D.14. Architectural coating application equipment.	23.F.7 Similar.	201.J.1. Same.	No similar language.	2020.5.9. Similar.	201-1.3.19. Same.
E. Compliance with rule changes. Provides 90 days to file for permit after an exemption is removed by	No similar language.	No similar language.	2-1-424. Loss of exemption. Same 90 days to apply for permits.	2020.6. Similar, provides 6 months.	No similar language.
rulemaking. F. Internal Combustion Engines.	23.D.	No similar language.	2-1-114. ≤150 lb/day "gatekeeper". 2-1-112. Applicable.	No similar language.	No similar language.
F.1.a aircraft and locomotives.	Rule 23.D.1., related.	No similar language.	No similar language.	2020.5.2. Similar.	No similar language.
F.1.b. Marine vessels.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
F.1.c. Vehicles.	23.D.2., related.	201.C.1. Similar.	2-1-115.1. Same.	No similar language.	201-1.3.2. Similar.
F.1.d. Emergency power generation ≤200 hrs/yr.	23.D.7., <50 hrs/yr for maintenance.	210.B.3. <100 hr/yr.	2-1-115.5. <100 hr/yr.	No similar language.	201-1.3.7.3.2. <60 hr/yr.
F.1.e. Engines <100 bhp, cumulative <500 bhp, turbines <3 MMBtu/hr.	23.D.6., < 50 bhp, engines.	201.B.1. ≤50 bhp, 3MMBtu turbines.	2-1-115.2. < 250 bhp engines and turbines.	2020.5.1.2. Engines ≤50 bhp. 2020.5.1.3. Turbines ≤3 MMBtu/hr.	201-1.3.7.3.1. ≤100 bhp engines.
F.2. "Sunset" exemption for portable equip, subject to H&SC 41750	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY ÀREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
F.3. Construction activities. Emissions > 25 tpy provide offsets.	N o similar language.	No similar language.	No similar language.	No similar language.	No similar language.
F.4. Amusement rides.	23.D.6 Applicable.	No similar language.	No similar language.	No similar language.	No similar language.
F.5.a Military-taetical support equipment ≤50 bhp.	23.D.6	No similar language	No similar language	No similar language	No similar language
F.5.b. Temperature and humidity control systems for military and space launch support <50 bhp.	23.D.6	No similar language	No similar language	No similar language	No similar language
F.5.c. Cargo handling systems for military and space launch equipment <50 bhp.	23.D.6	No similar language	No similar language	No similar language	No similar language
F.6 IC engines which power exempt equipment are not exempt unless they meet specified conditions.	No similar language	No similar language	2-1-112.	No similar language	No similar language
G. Combustion equipment (Other than ICE). Provides a 25 tpy aggregate gatekeeper. G.1. Individual equipment < 5 MMBtu, fired with natural gas or LPG. <1 MMBTU/hr do not count toward 25 ton gatekeeper.	23.C. Similar. No gatekeeper.	No similar language.	2-1-112. Applicable. <150 lb/day "gatekeeper".	No similar language.	No similar language.
G.2. Equipment which provides energy to exempt equipment is not exempt unless it meets specified conditions.	23.C.1. Similar, <1 MMBtu/hr.	201.B.2. Similar. <2. MMBtu/hr.	2-1-114.1. <1 MMBtu/hr, <10 MMBtu/hr nat. gas.	2020,5.1.1. <u><</u> 5 MMBtu/hr.	201-1.3.9. <15 MMBtu/hr.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
G.3 Equipment exempt per other sections of the rule do not count toward the 25 tpy emission limit.	No similar language	No similar language	No similar language	No similar language	No similar language
H. Abrasive Blast Equipment. Provides a gatekeeper of 10 tpy aggregate.	No similar language.	No similar language.	2-1-123. ≤150 lb/day "gatekeeper".	No similar language.	No similar language.
H.1 Abrasive blast cabinets.	23.B.6. Same.	No similar language.	2-1-118.1. Similar. No size limit.	No similar language.	201-1.3.7.24. Same.
H.2 Blast cleaning, with abrasive in water.	23.B.6. Same.	201.M.4. Same.	2-1-118.2. Same.	No similar language.	201-1.3.8.1. Same.
H.3 New exemption for portable abrasive blast units.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
I. Coatings Applications. Provides an aggregate 10 py gatekeeper.	23.F.7. Related. No gatekeeper.	201.J. Related	2-1-119. Related., 2-1- 110. Overall "gatekeeper" <150 lb/day.	2020.5. Related	201-1.3.11. Related.
I.1. Dipping operations with oils, waxes, greases.	. No similar language	No similar language.	2-1-119.4. Similar. <1% VOC.	No similar language.	201-1.3.11.1. Same.
.2. Dipping operations with synthetic resins.	No similar language	No similar language.	2-1-119.5. Similar. <1% VOC.	No similar language.	201-1.3.11.2. Same.
.3 Surface coating <40 gal/yr.	23.F.6.d, <25 gal/yr. 23.F.11., related.	201.J.3. Similar. ≤1 gal/day.	2-1-119.2.1. Similar. ≤20 gal/yr.	2020.5.9.2.3. Similar, <25 gal/hr.	No similar language.
.4 Air brushing.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
.5 Polyurethane powder coating operations.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
J. Drycleaning and Fabric Related Equipment and Operations. Provides an aggregate 10 tpy gatekeeper.	Rule 23	Rule 201	Rule 2-1-120. 2-1-110. Overall "gatekeeper" ≤150 lb/day. Similar.	No similar language.	201-1.3.7,8
J.1 Dyeing-or stripping of textiles, no organics.	23.J.11. Same.	201.N.4. Same.	2-1-127.1. <1% VOC.	No similar language.	201-1.3.7.13. Same.
J.2 Lint traps in dry cleaning tumblers.	23.B.10. Same.	No similar language.	2-1-120.2. Same,	No similar langauge.	201-1.3.7.18. Same.
J.3 Laundry dryers using water solutions.	23.B.11. Same.	201.N.5. Same.	2-1-120.3. Same.	No similar language.	201-1.3.8.16. Same.
K. Food Processing and Preparation Equipment and Operations. Provides an aggregate 10 tpy gatekeeper.	23.E. Similar. No gatekeeper.	201.G. Related.	22-1-110. Overall "gatekeeper" ≤ 150 lb/day1-113. Related.	2020.5.5. Related.	201-1.3.7. Related.
K.I Preparation of food for human consumption.	23.A.1., related.	201.G.1. Similar. Excludes boilers.	2-1-113.5. Similar.	2020.5.5.1. Same.	201-1.3.7.19. Same.
K.2 Smokehouses ≤20 square feet.	23.E.2. Related.	201.G.4. Same.	2-1-117.1. Same.	2020.5.5.3. Same.	201-1.3.7.31. Same.
K.3 Ovens, mixers, blenders in bakeries.	23.E.2. Related.	201.G.2. Similar. < 1,000 lb/day.	2-1-117.3. Same.	2020.5.5.2. Similar, <1,000 lb/day.	201-1.3.8.2. Same.
K.4 Confection cookers.	No similar language.	201.G.6. Same.	2-1-117.2. Same.	No similar language.	201-1.3.8.6. Same.
K.5 Grind, blend package tea, cocoa, spices, coffee.	No similar language.	201.G.3. Same.	2-1-117.4. Same.	No similar language.	No similar language.
K.6 Barbecue Equipment.	23.A.1., related.	201.G.5. Same.	2-1-117. Related.	2020.4.2.4. Similar, excepts commercial units.	201-1.3.4. Similar. Except commercial.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
L. General Utility Equipment and Operations. Provides a 10 tpy gatekeeper.	No similar language.	No similar language.	2-1-110. Overall "gatekeeper" ≤150 lb/day. 2-1-128. Related.	No similar language.	No similar language.
L.1 Heat Exchangers	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
L.2 Comfort air conditioning.	23.E.4. Same.	201.M.1. Same.	2-1-128.1. Same.	No similar language.	201-1.3.7.1. Same.
L.3 Refrigeration units, except for air pollution control.	23.E.5. Same.	210. M.2. Same.	2-1-128.2. Same.	No similar language.	201-1.3.7.2. Same.
L.4 Water cooling towers and ponds.	23.J.10. Same.	201.E.1. Similar, < 10,000 gal/min.	2-1-128.4. Same.	2020.5.3. Same.	201-1.3.20. Similar. <500 gal/min.
L.5 Steam cleaning equipment.	23.C.2. Related, <1 MMBtu/hr.	201.M.3. Same.	2-1-118.4. <1% VOC.	No similar language.	No similar language.
L.6 Space heating.	23.C.1. Similar, ≤1 MMBtu/hr.	201.M.5. Same.	2-1-113.3. Similar. < 20 MMBtu/hr.	2020.5.1.4. Same.	201-1.3.7.8. Same.
L.7 Compressors, holding tanks for dry natural gas.	23.F. Related.	No similar language.	2-1-128.8. Same.	2020.5.10.2. Similar, excludes compressor engines.	201-1.3.7.20. Same.
L.8 Natural draft hoods, stacks, not mechanically augmented.	23.C.3. Same.	No similar language.	2-1-128.5. Same.	No similar language.	201-1.3.10. Same.
L.9 Vacuum cleaning systems for housekeeping.	23.E.3. Same.	201.L.4. Same.	2-1-128.16. Same.	No similar language.	201-1.3.15. Same.
L.10 Rail cleaning.	No similar language.	No similar language	No similar language.	No similar language.	No similar language.
.11 Aerobic wastewater reatment.	No similar language.	No similar language.	2-1-128.13. Similar < 200 gal/day.	No similar language.	No similar language.
L.12 Ozone generators for water treatment.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
L.13 Water well, water filtration systems, reverse osmosis units.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
L.14 Fuel cells <5 MMBtu/hr.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
L.15 Portable steam cleaning equipment < 1 MMBtu/hr.	23.C.2. Same.	No similar language.	No similar language.	No similar language.	201-1.3.7.5. Similar.
M. Glass, Ceramic, Mettallurgical Processing and Fabrication. Provides an aggregate 10 tpy gatekeeper.	No similar language.	No similar language.	2-1-116. Similar. 2-1-110. Overall "gatekeeper" ≤150 lb/day.	No similar language.	201-1.3.7. Related.
M.1 Porcelain enameling furnaces, ovens.	23.I.1., similar, ≤1 MMBtu/hr.	No similar language.	2-1-116.1. Same.	No similar language.	No similar language.
M.2 Crucible or pot furnaces <450 cubic inches capacity.	23.I.12. Same.	No similar language.	2-1-116.4. <15 cu.in.	No similar language.	201-1.3.7.15. Same.
M.3 Kilns for firing ceramic ware.	23.I.2. Same.	201.N.3. Same.	2-1-116.8. Same.	No similar language.	201-1.3.8.3. Same.
M.4 Forging, pressing, rolling of metals.	No similar language.	No similar language.	2-1-121.13. <10 MMBtu/hr, b.p. <400°F.	No similar language.	201-1.3.8.7. Same.
M.5 Sintering of glass or metal.	23.I.3., similar, ≤1 MMBtu/hr.	No similar language.	2-1-121.15. Same.	No similar language.	201-1.3.8.12. Same.
M.6 Washing or drying of metal or glass, no organics.	23.I.10. Same.	No similar language.	2-1-118.5, 118.6. Similar. <1% VOC.	No similar language.	201-1.3.8.18. Same.
M.7 Heat treating, case hardening, carburizing, etc. of glass or metal.	23.I.3., similar. ≤1 MMBtu/hr.	No similar language.	2-1-116.3. < 10 MMBtu/hr.	No similar langauge.	201-1.3.12. Same.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
M.8 Crucible, pot, or induction furnaces ≤1000 lb. molten metals.	23.I.11. Same.	No similar language.	2-1-116.2. Same.	No similar language.	201-1.3.13. Same.
M.9 Metal products cleaning, deburring tumblers, no abrasive blasting.	23.B.9. Same.	No similar language.	2-1-121.4. Same.	No similar language.	201-1.3.7.21. Same.
M.10 Shell core and shell mold manufacturing.	23.J.6. Same.	No similar language.	2-1-122.3. Same.	No similar language.	201-1.3.7.22. Same.
M.11 Metal casting molds.	23.I.8. Same.	No similar language.	2-1-122.1. Same.	No similar language.	201-1.3.7.23. Same.
M.12 Inspection of metal products.	23.I.6. Same.	201,N.1. Same.	2-1-126.3. Same.	No similar language.	201-1.3.8.5. Same.
M.13 Die casting machines.	23.J.7. Same.	No similar language.	2-1-122.5. Same.	No similar language.	201-1.3.8.8. Same.
M.14 Atmosphere generators for metal heat treating.	No similar language.	No similar language.	2-1-121.14. Same.	No simiar language.	201-1.3.8.9. Same.
M.15 Brazing, soldering, welding.	23.I.7. Same.	201.N.2. Same.	2-1-128.11. Same.	2020.5.10.1. Same.	201-1.3.8.11. Same.
M.16 Foundry sand molding, no heat.	No similar langauge.	No similar language.	2-1-122.2. Similar. <0.25% free phenol.	No similar language.	201-1.3.8.17. Same.
M.17 Cleaning, stripping, etching, plating, etc. of base metals with aqueous solutions.	23.I.9. Same.	No similar language.	2-1-127.3. Similar.	No similar language.	No similar language.
N. Laboratory Equipment and Operations. Provides an aggregate 10 tpy gatekeeper.	23.J. Related. No gatekeeper.	No similar language.	2-1-126. Related 2-1- 110. Overall "gatekeeper" <150 lb/day.	No similar language.	201-1.3.8. Related.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
N.1 Laboratory equipment, bench scale and analysis.	23.J.1., G., related.	No similar language.	2-1-126.2. Same.	No similar language.	201-1.3.8.4. Same.
N.2 Vacuum devices in laboratory operations.	23.J.2. Same.	No similar language.	2-1-128.3. Same.	No similar language.	201-1.3.8.24. Same.
O. Material Working and Handling. Provides a n aggregate 10 tpy gatekeeper.	23.F. Similar. No gatekeeper.	No similar language.	2-1-110. Overall "gatekeeper" ≤150 lb/day	No similar language.	201-1.3.7. Related.
O.1 Metals, minerals, plastics, wood, extrusion presses.	23.I.4. Same.	201.H.2. Similar	2-1-121.9. Same.	No similar language.	201-1.3,7.6. Same.
O.2 Milling, grinding coatings and molding compounds, materials in paste form.	23.F.10. Same.	No similar language.	2-1-121.3. <1 VOC.	No similar language.	201-1.3.7.14. Same.
O.3 Buffing, polishing, carving, cutting, drilling, of ceramic, leather, metals, plastic, rubber, etc.	23.B.4. Same.	No similar language.	2-1-121.1. Same.	No similar language.	201-1.3,7.33, Same.
O.4 Carving, cutting, drilling, etc. of wood.	23.B.5. Same.	No similar language.	2-1-121.1. Similar.	No similar language.	201-1.3.7.34. Same.
P. Miscellaneous Equipment and Operations. Provides an aggregate 10 tpy gatekeeper.	23.J. Related. No gatekeepers.	201.I.2. Similar.	2-1-116. Overall ≤150 lb/day "gatekeeper".	2020.5.7.11. Similar.	201-1.3.11.11. Same.
P.1 Transporting materials on streets and highways.					
P.2 Melting or applying of wax, with no organics.	23.I.7. Same.	No similar language.	2-1-121.16. Similar, 1% VOC.	No similar language.	201-1.3.7.16. Same.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
P.3 Hydraulic or hydrostatic testing.	23.I.5. Same.	No similar language.	2-1-126.1. Same.	No similar language.	201-1.3.7.9. Same.
P.4 Brake shoes binding lining.	23.J.8. Same.	No similar language.	2-1-128.9. Same.	No similar language.	201-1.3.7.17. Same.
P.5 Water emulsions of asphalt, grease, oil or wax.	23.F.8. Same.	No similar language.	2-1-128.10. Same.	No similar language.	201-1.3.7.27. Same.
P.6 Mixing and blending of water based adhesives.	No similar language.	No similar language.	2-1-121.7. Same.	No similar language.	201-1.3.7.30. Same.
P.7 Liquify, separate gases from air.	23.F.9. Same.	No similar language.	2-1-128.7. Same.	No similar language.	201-1.3.8.19. Same.
P.8 Paving, except "cutback" asphalt.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
P.9 Bioremediation of diesel or crude oil contaminated soils.	No similar language.	No similar language.	2-1-128.15. Similar. <u><</u> 3 months.	2020.4.1.4. Specifically excludes soil cleanup from exemption.	No similar language.
P.10 Safety flares.	23.A.4., related.	No similar language.	No similar language.	No similar language.	No símilar language.
P.11 Fire training facilities.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
P.12 Flares used during rocket fueling.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
P.13 Explosive ordnance detonation.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
Q. Mixing, Blending and Packaging. Provides an aggregate 10 tpy gatekeeper.	23.B. Similar. No gatekeepers.	No similar language.	2-1-121.5. Related. 2-1- 110. Overall "gatekeeper" ≤150 lb/day.	No similar language.	201-1.3.7. Related.
Q.1 Batch mixers <5 cubic feet.	23.B.8. Same.	No similar language.	2-1-121.5. Same.	No similar language.	201-1.3.7.25. Same.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
Q.2 Packaging of lubricants and greases.	No similar language.	No similar language.	2-1-121.8. Same.	No similar language.	201-1,3.7.26. Same.
Q.3 Packaging of pharmaceuticals and cosmetes.	23.J.5. Same.	No similar language.	2-1-128.12. Same.	No similar language.	201-1.3.8.22. Same.
R. Plastics, Composite and Rubber Processing. Provides an aggregate 10 tpy gatekeeper.	23.H. Related. No gatekeeper.	201.H. Related.	2-1-110. Overall "gatekeeper" <150 lb/day.	No similar language.	201-1.3.7.
R.1 Ovens for curing plastics.	23.H.2. Same.	201.H.3. Similar.	2-1-116.5. Same.	No similar language.	201-1.3.7.12. Same.
R.2 Ovens for curing vinyl plastisols.	23.H.5. Same	201.H.3. Similar.	2-1-116.6. Same.	No similar language.	201-1.3.7.28. Same.
R.3 Epoxy resin curing ovens.	23.H.7. Same.	No similar language.	2-1-116.7. Same.	No similar language.	201-1.3.8.15. Same.
R.4 Rubber or plastic curing presses.	23.H.1. Same.	201.H.1. Applicable. ≤5 lb/day.	2-1-121.10. Same.	No similar language.	201-1.3.7.7. Same.
R.5 Conveying and storing plastic pellets.	23.H.8. Same.	201.H.1. Applicable. ≤5 lb/day.	2-1-121.17. Same.	No similar language.	201-1.3.7.29. Same.
R.6 Compression, injection molding of plastics.	23.H.3. Same.	201.H.1. Applicable. ≤5 lb/day VOC.	2-1-122.4. Same.	2020.5.6. Same.	201-1.3.8.20. Same.
R.7 Mixers for rubber, plastic, no powder or or organics.	23.H.4. Same.	No similar language.	2-1-121.6. Similar. <1% VOC.	No similar language.	201-1.3.8.21. Same.
R.8 Roll or calendar mills for rubber or plastics, no organics.	23.H.6. Same.	No similar language.	2-1-121.22. Same.	No similar language.	201-1.3.8.23. Same.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
S. Printing and Reproduction. Provides an aggregate 10 tpy gatekeeper.	23.J. Related. No gatekeeper.	201.F. Related.	2-1-110. Overall "gatekeeper" < 150 lb/day	2020.5. Related.	201-1.3.7. Related.
S.1. Sheet-fed printing presses without driers.	23.J.2. Similar.	201.F.1. Related to printing. ≤2 gal/day.	2-1-110.6. Related. <7500 lb/yr-ink 1%VOC.	2020.5.4. Related, < 20 gal/day graphic arts materials.	201-1.3.7.10. Similar. Emits <10 lb/day organics.
S.2 Platen presses for laminating.	No similar language.	No similar language.	2-1-121.11. Same.	No similar language.	201-1.3.7.32. Same.
S.3 Photographic process equipment.	23.J.4. Same.	201.F.2. Same.	2-1-127.2. Same.	No similar language.	201-1.3.8.10
S.4 Stenciling and dyeing.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
T. Semiconductor and Electronics Manufacturing. Provides an aggregate one tpy gatekeeper.	No similar language.	No similar language.	2-1-124. Related. 2-1-110. Overall "gatekeeper" ≤150 lb/day.	No similar language.	No similar language
T.1 Vacuum deposition.	No similar language.	No similar language.	2-1-124.2. Same.	No similar language.	No similar language.
T.2 Ion implantation.	No similar language.	No similar language.	2-1-124.1. Same.	No similar language.	No similar language.
T.3 Sputtering.	No similar language.	No similar language.	2-1-124.3. Same.	No similar language.	No similar language.
T.4 Ozone/plasma/ion etching or ashing.	No similar language.	No similar language.	2-1-124.6. Same.	No similar langauge.	No similar language.
T.5 Vacuum bake systems.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
T.6 Crystal growth furnaces.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
T.7 Automated epoxy adhesive dispensing.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
T.8 Epoxy and adhesives curing ovens.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
T.9 Ovens for drying parts cleaned with water.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
U. Solvent Applications. Provides an aggregate 10 tpy gatekeeper.	23.F. Related. No gatekeeeper.	201.J. RElated.	2-1-118. Related. 2-1- 110. Overall "gatekeeper" <150 lb/day.	No similar language.	No similar language.
U.1 Unheated solvent dispensing ≤100 gal.	No similar language.	No similar language.	No similar language.	No similar language.	201-1.3.11.10. <u><</u> 250 gal.
U.2 Single unheated degreasers < 929 cm ² ,	23.F.6.a.,6.b., similar.	201.J.2.a. ≤10.8 sq.ft., <25 gal/yr solvent loss.	2-1-118.7. Similar, no aggregate.	2020.5.9.2.1. Similar, <92.5 gal.	No similar language.
aggregate of < 0.93 m ²					
U.3 Solvent wipe cleaning ≤40 gal/yr.	No similar language	No similar language	No similar language.	No similar language.	No similar language
V. Storage and Transfer. Provides an aggregate 10 tpy gatekeeper.	23.F. Related. No gatekeeper.	No similar language.	2-1-110. Overall "gatekeeper" <150 lb/day.	2020.5.7. Related.	201-1.3.11. Related.
V.1 Unheated storage of organic material b.p. ≤300°F.	Rule 23.F contains numerous exemptions for gaseous reactive organic compounds, not easily relatable to SBAPCD Rule 202.	No similar language.	2-1-123.3. Similar	2020.5.7.5. Similar.	201-1.3.11.4. Same.
V.2 Storage of refined fuel oils API gravity 40° or lower.	See above	No similar language	2-1-123.3.5. Similar.	2020.5.7.6. , 20205.7.2. Similar	201-1.3.11.5. Similar.
V.3 Storage of lubricating oils.	See above	201.I.8	2-1-123.3.4. Same	2020.5.7.8. Similar	201-1.3.11.6. Same

PROPOSED RULE	VENTURA (5/30/96)	SAN LUIS OBISPO (4/26/95)	BAY AREA (11/3/93)	SAN JOAQUIN (7/21/94)	MONTEREY (4/21/93)
V.4 Storage of solvents (except gasoline) ≤ 1,500 gallons.	See above	No similar language	No similar language	No similar language	201-1.3.11.7. Similar.
V.5 Storage of soaps, detergents, oils, waxes.	See above	201.I.7, Same.	2-1-123.3.6. Same.	No similar language.	201-1.3.11.8. Same.
V.6 Storage of asphalt.	23.F.5. Same.	No similar language.	2-1-123.3.7. Similar.	2020.5.7.6 Similar.	201-1.3.11.9. Same.
V.7 Storage of gasoline.	23.F. Related, but not specific to gasoline.	201.I.9 Similar, <1,500 gallons.	No similar language.	No similar language.	201-1.3.11.12. Similar.
V.8 Storage of liquid or compressed gases.	No similar language	No similar language.	No similar language	2020.5.7.9. Similar	201-1.3.11.3. Liquid, but not compressed.
V.9 Storage or dispensing inorganic acids.	No similar language.	201.H.6. Same.	2-1-123.1. Similar. <1000 ppm organics.	No similar language.	201-1.3.7.11. Similar.
V.10 Closed loop transfer of rocket propellant.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

TABLE 6.2 (CONT'D)

PROPOSED RULE 208 (ACTION ON APPLICATIONS - TIME LIMITS) INTER-DISTRICT COMPARISON

PROPOSED RULE	VENTURA	SAN LUIS OBISPO	BAY AREA	SAN JOAQUIN	MONTEREY
A. Applicability. New language.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
B. Exemptions. Excepts persons affected by Title V.	No similar language.				

PR	OPOSED RULE	VENTURA	SAN LUIS OBISPO	BAY AREA	SAN JOAQUIN	MONTEREY
	finitions. Directs to Rule 102.	No similar language.	No similar language.	Rule 2-1-201. Permitting definitions.	No similar language.	No similar language.
- Appl	quirements - General ication Form and leteness. Application must be filed in form and manner prescribed by the APCO.	Rule 11. Must be submitted in form and manner prescribed by the APCO.	Rule 203.A. Must be submitted in the form and manner prescribed by the APCO.	Rule 2-1-202.2. Applicant must submit any information required. Rule 2-1-402. Must be submitted in form and manner prescribed by the APCO.	Rule 2040.3. Similar.	Rule 203. Must be submitted in the form and manner prescribed by the APCO.
D.2.	30 days to determine completeness.	Rule 25. 30 days to determine completeness.	Rule 205.A. 30 days to determine completeness.	No similar language.	No similar language.	No similar language.
D.3.	New 30 days begins after resubmittal following incompleteness.60 days for Board to decide on incompleteness appeal.	Rule 22. Applicant must appeal within 10 days of incompleteness. Hearing Board must act within 30 days.	Rule 205.A. 90 days to submit additional info. after incompleteness. New 30 days begins. Must appeal within 10 days, Hearing Board has 30 days to act.	Rule 2-1-309. 90 days to submit additional info. after incompleteness. Rule 2-1-410. Appeal within 10 days. Hearing Board has 30 days to act.	2040.7. Must appeal within 10 days of notice of denial. Public hearing within 30 days.	Rule 211. Applicant must appeal incompleteness within 10 days. Hearing Board has 30 days to act.
D.4.	ATC application denied 120 days after filing if info. not submitted, unless extended.	No similar language.	Rule 205.B. APCO may cancel application if info not submitted, no time specified, but must notify applicant in writing.	No similar language.	2040.6. Application deemed denied if not acted upon within 60 days.	Rule 210. No time limits specified for denial, but must notify applicant in writing.

PRO	OPOSED RULE	VENTURA	SAN LUIS OBISPO	BAY AREA	SAN JOAQUIN	MONTEREY
D.5.	Time limits may be extended by mutual agreement.	No similar language.	Rule 205.A. Time limit may be extended by mutual agreement.	Rule 2-1-309. May be extended 90 days by written agreement.	No similar language.	No similar language.
E. Rec to Con E.1.	puirements - Authority istruct. Permit Streamlining Act applies to any ATC Application.	No similar language.	No similar language.	2-1-408. Control Officer shall act within 60 days.	No similar language.	No similar language.
E.2.	District shall commence processing prior to lead agency action if feasible.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
E.3.	Control Officer has 180 days to act for Large Sources.					
E.4.	Control Officer has 90 days to act for Medium Sources (or 90 after lead agency action).	Rule 25. APCO has 180 days after lead agency action.	No similar language.	No similar language.	No similar language.	No similar language.
E.5.	Control Officer has 30 days to act on ATC/PTO application for small sources.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.
E.6.	Time limits of GC 65950 applies if EIR required.	No similar language.	No similar language.	Rule 2-1-408.1. Final action within 30 days after final EIR approval.	No similar language.	No similar language.
E.7.	Additional extensions pursuant to H&SC 42314.2	Rule 25. Time limits can be extended 90 days.	No similar language.	Rule 2-1-411. Time limits may be extended.	No similar language.	No similar language.

PRO	OPOSED RULE	VENTURA	SAN LUIS OBISPO	BAY AREA	SAN JOAQUIN	MONTEREY
E.8.	Control Officer may extend any time limits					
E.9	Small modifications at large sources may receive small source timelines.					
F. F.1.	Requirements - Permits to Operate. Control Officer shall act with 120 days for large sources.	Rule 18. PTO application must be returned to applicant within a "reasonable" time. Acts as temporary PTO.	No similar language.	Rule 2-1-411. Final action within 60 days after start-up. Start-up cannot be > 180 days.	2040.6. Applicant may deem application denied if not acted upon within 60 days.	No similar language.
F.2.	Control Officer shall act within 60 days for medium sources.	No similar language.	No similar language.	No similar language.	No similar language.	No similar language.

Table 6.4

BACT TRIGGERS for NONATTAINMENT POLLUTANTS

Nonattainment Pollutants	Existing Rule	Proposed Rule
Basis for BACT Trigger	NEI (lbs/hour)	Potential to emit (lbs/day)
ROC	2.5	25
NOx	2.5	25
PM10	2.5	25
SOx	2.5	25
СО	20 or 150 lbs/day	150

BACT TRIGGERS for ATTAINMENT POLLUTANTS

Attainment Pollutants	Existing	Proposed
Basis for BACT Trigger	NEI	NEI
	(lbs/hour)	(lbs/day)
ROC	5	120
NOx	5	120
PM10	3.3 or 80 lbs/day or 15 tons/year	80
PM	5	120
SOx	5	120
СО	50 or 550 lbs/day	550
Lead	3.28	3.28

Table 6.4

BACT TRIGGERS for NON-CRITIERIA POLLUTANTS

Noncriteria Listed Pollutants	Existing	Proposed
Basis for BACT Trigger	NEI	NEI
	(lbs/day)	(lbs/day)
Asbestos	0.04	0.04
Beryllium	0.0022	0.0022
Mercury	0.55	0.55
Vinyl Chloride	5.48	5.48
Fluorides	16. <mark>4</mark> 4	16.4
Sulfuric Acid Mist	38.35	38.4
Total Reduced Sulfur	54.79	54.8
Reduced Sulfur Compounds	54.79	54.8
Municipal waste combustor organics	No standard	0.0000035 tons/year
Municipal waste combustor metals	No standard	15 tons/year
Municipal waste combustor acid gases	No standard	40 tons/year

Table 6.4

OFFSET TRIGGERS FOR NONATTAINMENT POLLUTANTS

Nonattainment Pollutant	Existing	Proposed
Basis for Offset Trigger	NEI	NEI
ROC	5 lbs/hour if AQIA shows violation of or interference with attainment or maintenance of any national primary ambient air quality standard; Otherwise, 10 lbs/hour, 240 lbs/day or 25 tons/year	55 lbs/day or 10 tons/year
NOx	5 lbs/hour if AQIA shows violation of or interference with attainment or maintenance of any national primary ambient air quality standard; Otherwise, 10 lbs/hour, 240 lbs/day or 25 tons/year.	55 lbs/day or 10 tons/year
PM10	5 lbs/hour if AQIA shows violation of or interference with attainment or maintenance of any national primary ambient air quality standard; Otherwise, 10 lbs/hour, 80 lbs/day or 15 tons/year.	80 lbs/day or 15 tons/year
SOx	5 lbs/hour if AQIA shows violation of or interference with attainment or maintenance of any national primary ambient air quality standard; Otherwise, 10 lbs/hour, 240 lbs/day or 25 tons/year.	55 lbs/day or 10 tons/year
СО	100 tons/year unless AQIA shows the emissions would not cause or contribute to violation of any national primary ambient air quality standard and the emissions are consistent with reasonable further progress.	150 lbs/day o 25 tons/year

OFFSET TRIGGERS FOR ATTAINMENT POLLUTANTS

Attainment Pollutants	Existing	Proposed
Basis for Offset Trigger	NEI (lbs/hour)	NEI (lbs/day)
ROC, NOx, PM10	10	240
PM, SOx	10	240
СО	No standard	No standard

Table 6.4

OFFSET LIABILITIES FOR NONATTAINMENT POLLUTANTS

Nonattainment Pollutant	Existing	Proposed
Basis of Offset Liability	NEI	NEI
ROC	Net air quality benefit and upwind, or if nothing available upwind, within a 15 mile radius	Net air quality benefit
NOx	Same as above	Same as above
PM10	Same as above	Same as above
SOx	Same as above	Same as above
СО	Same as above	Same as above
Offset Ratios	Minimum 1.2:1 Higher if required for reasonable further progress: 15 to 20 miles: 1.5:1 20 to 25 miles: 1.8:1 25 to 30 miles: 2.2:1 30 to 35 miles: 2.6:1 35 to 40 miles: 2.9:1 40 to 45 miles: 3.3:1 45 to 50 miles: 3.7:1 50 to 55 miles: 4.0:1 55 to 60 miles: 4.4:1 60 to 65 miles: 4.8:1 65 to 70 miles: 5.1:1 70 to 75 miles: 5.5:1 75 to 80 miles: 5.9:1 80 to 85 miles: 6.2:1 85 to 90 miles: 6.6:1 90 to 100 miles: 7.3:1	 Within 7.5 miles 1.2 to 1 Within same zone 1.5 to one Between North and South Zones 6.0 to 1 Between South Zone and Adjacent Areas of Ventura 6.0 to 1 No trades between South Zone and Cuyama Area

1

OFFSET LIABLITY FOR ATTAINMENT POLLUTANTS

Table 6.4

Attainment Criteria Pollutant	Existing	Proposed
Basis of Offset Liability	NEI	NEI
ROC	Net air quality benefit and upwind, or if nothing available upwind, within a 15 mile radius	Net air quality benefit and upwind, or if nothing available upwind, within a 15 mile radius
NOx	Same as above	Same as above
PM10	Same as above	Same as above
PM	Same as above	Same as above
SOx	Same as above	Same as above
СО	Not Applicable	Not Applicable
Offset Ratios	Minimum 1.2:1. If upwind and beyond 15 miles, ratio at Control Officer discretion	Minimum 1.2:1. If upwind and beyond 15 miles, ratio at Control Officer discretion

Table 6.4

DEFINITIONS of KEY TERMS

Definitions	Existing	Proposed
Potential to Emit	No definition, but the concept of maximum design capacity is used (Rule 205.C.4.a.1 and 205.C.4.b.1)	The maximum capacity to emit or such smaller capacity to emit that is made federally enforceable by permit condition(s).
Net Emission Increase (NEI)	Except for PM10, the sum since July 2, 1979, of all emission increases and decreases at the stationary source. For PM10, half of the sum over the period from July 2, 1979 to August 8, 1988 of all TSP emission increases and decreases plus the sum since August 8, 1988 of all increases and decreases in PM10 at the stationary source. Only decreases established pursuant to ATC and PTO may be counted.	From Rule 801.C: "NEI means the sum of all increases in emissions of any given pollutant from a new or modified stationary source occurring since November 15, 1990 minus any reduction in emissions of that pollutant at the stationary source occurring since November 15, 1990 subject to the provisions of Section D.2 of Rule 804 (mandated reductions, not applicable). Where an Authority to Construct has been issued for a stationary source and that source has not received a Permit to Operate for the entire stationary source as of November 15, 1990, the net emission increase for that source shall be as specified in the Authority to Construct, subject to increases and decreases as authorized by these Rules and Regulations. Net emissions increases shall be determined in accordance with the calculation methods described in Section G of Rule 802 for nonattainment pollutants and Section J of Rule 803 for attainment pollutants. Reductions in emissions shall be valid for determining net emission increases only if they are established pursuant to Authorities to Construct and Permits to Operate. In no event shall the net emission increase for a stationary source be less than zero."
Emission Unit	Undefined	Identifiable piece of equipment or activity that is part of a stationary source which emits or have the potential to emit any affected pollutant.
Stationary Source	Activities which emit or may emit pollutant(s), make up a common production process (i.e. connected processes involving a common raw material), are located on one or more contiguous or adjacent properties, and are under common control.	Activities which emit or may emit pollutant(s), make up a common production process (i.e. connected processes involving a common raw material), are located on one or more contiguous or adjacent properties, and are under common control.

TAI 6.5
INTER-DISTRICT COMPARISON - DEFINITIONS

	Definition of Potential to Emit	Definition of Net Emission Increase
Proposed Rule	Maximum capacity of the stationary source to emit a pollutant, including fugitive emissions, under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of Its design only if the limitation is federally enforceable. Secondary emissions do not count in determining the potential to emit.	The sum of all increase in emissions of any given pollutant from a new or modified stationary source occurring since November 15, 1990 minus any reduction in emissions of that pollutant at the stationary source occurring since November 15, 1990. The maximum capacity is used to determine the maximum emissions from the new source or modification. Applicant may agree to federally enforceable limitations on the operation of the new source or modification in which case those limitations shall be used to establish the emissions from the new or modified source.
Ventura	Emission limit that specifies the maximum an emission unit may emit during a 12 calendar month rolling period. Limit is based on any period of 12 consecutive months. Expressed in tons per year. Based on maximum potential emissions unless limited by ATC/PTO.	("Emission Increase") For new units, emission increase = potential to emit of the new unit. For modified units, emission increase = post-project potential to emit adjusted with current BACT less unit's pre-project potential to emit adjusted with current BACT.
San Luis Obispo	Emission limit that specifies the maximum an emission unit may emit during a 12 calendar month rolling period. Limit is based on any period of 12 consecutive months. Expressed in tons per year. Based on maximum potential emissions unless limited by ATC/PTO.	Sum of all emission increases after 8/10/93 in stationary source potential to emit not offset and within three most recent years prior to application submittal. New sources, net emission increase = potential to emit of the new unit. For modifications, net emission increase = post-project potential to emit adjusted with current BACT less unit's pre-project potential to emit, adjusted with current
Bay Area	The maximum capacity of a facility to emit a pollutant, based on its physical and operation design. Any physical or operation limitation on the capacity of the facility to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as a part of its design only if the limitation, or the effect it would have on emissions, is federally enforceable. It is unclear how this definition is used. There is no reference to potential to emit in the Bay Area's offsets or BACT requirements.	In Section 2-2-605, defines "Increase Calculation Procedures:" For a new source the increase is based on the maximum emitting potential of the new source or the maximum permitted emission level of the new source, subject to federally enforceable permitting conditions. For modified sources, the increase is either the annual emission rate for which offsets have been provided, or the actual annual emission for the highest 12 consecutive month period occurring during the last five years immediately preceding the application date, less the new maximum permitted emission level of the modified source, subject to federally enforceable limiting conditions.
San Joaquin	The maximum capacity of a facility to emit a pollutant, based on its physical and operation design. Any physical or operation limitation on the capacity of the facility to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as a part of its design only if the limitation, or the effect it would have on emissions, is incorporated into the applicable permit condition.	San Joaquin doesn't use or define "net emission increase." San Joaquin uses "NSR Balance," which is basically the change in potential to emit.
Monterey	The maximum capacity of a facility to emit a pollutant, based on its physical and operation design. Any physical or operation limitation on the capacity of the facility to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as a part of its design only if the limitation, or the effect it would have on emissions, is incorporated into the applicable Authority to Construct or Permit to Operate as an enforceable permit condition.	Monterey uses both "net emissions increase" and "new emissions increase." Net emission increase is defined (generally) as the sum of all increases in potential emissions of any given pollutant from a new or modified stationary source minus any reductions in emissions of that pollutant at the stationary source. New emissions increase is defined as "The sum of all increases in potential emissions of any given pollutant from a new or modified stationary source.

TABLE cont'd) INTER-DISTRIC 1 COMPARISON BACT TRIGGERS NONATTAINMENT POLLUTANTS

	Proposed	Ventura	San Luis Obispo	Bay Area	San Joaquin	Monterey	
Basis	Potential to emit of the "Project ¹ " equal or exceeding:	Potential to emit of a new or modified emission unit exceeding:	Potential to emit of a new or modified emission unit equal or exceeding:	Emission from a new source (emission unit) or increase in emissions from an existing source (emission unit) since 4/5/91 of more than:	New or modified emission unit which results in an increase in permitted emissions of more than:	For ROG and NOx, new or modified permit unit with the potential to emit equal to or exceeding the following. For SOx, CO, TSP, and PM10 BACT is required for a new stationary source with a	
						potential to emit, or for a modification of a stationary source with a new emissions increase, greater than the following:	
ROG	25 lbs/day	Any emission greater than 0.	25 lbs/day	10 lbs/highest day	2 lbs/day	25 lbs/day ²	
NOx	25 lbs/day	Any emission greater than 0.	25 lbs/day	10 lbs/highest day	2 lbs/day	25 lbs/day	
PM ₁₀	25 lbs/day	25 lbs/day Any emission greater than 0.		10 lbs/highest day	2 lbs/day	82 lbs/day	
SOx ³	25 lbs/day	Any emission greater than 0.	25 lbs/day	10 lbs/highest day as SO2	2 lbs/day	150 lbs/day	

Rule 802.D.1 indicates "...project as described in one or more applications for an Authority to Construct permit which is pending before the District or has been approved by the District for the stationary source within 12 months of the most recent application."

Monterey also establishes a BACT threshold for halogenates of 25 lbs/day.

³ SOx is treated as a precursor to PM10.

TABLE cont'd)

BACT TRIGGERS ATTAINMENT POLLUTANTS

	Proposed	Ventura	San Luis Obispo	Вау Агеа	San Joaquin	Monterey
Basis	Net emission increase of the new or modified stationary source exceeding:	Employs two triggers: (1) emission unit must result in an "emission increase," and (2) the potential to emit of all emission units covered by the ATC must be greater than the following amounts:	Potential to emit of the emission unit equal or exceeding:	Cumulative increase at the facility (stationary source) since 12/1/82 in excess of:	Stationary source NSR balance ⁴ in excess of:	New stationary source potential to emit, or a modification of an existing stationary source with a new emissions increase in excess of the following:
CO	550 lbs/day	30 tons/year	250 lbs/day	10 lbs/highest day ⁵	550 lbs/day	550 lbs/day
Lead	3.28 lbs/day	0.6 tons/year	25 lbs/day	0.6 tons/year, 3.2 lbs/day	3.2 lbs/day	3.28 lbs/day
Hydrogen sulfide	54.8 lbs/day	10 tons/year	25 lbs/day	10 tons/year, 55 lbs/day	54.79 lbs/day	54.79 lbs/day
Vinyl Chloride	5.8 lbs/day	1.0 ton/year	25 lbs/day		5.48 lbs/day	5.48 lbs/day

The NSR balances are the emissions from new and modified units, including decreases, since the baseline date. The baseline date range from 12/28/76 to 6/22/87 depending on the county and source type.

Bay Area is nonattainment for CO.

INTER-DISTRICT COMPARISON BACT TRIGGERS NON-CRITERIA POLLUTANTS

	Proposed	Ventura	San Luis Obispo	Bay Area	San Joaquin	Monterey	
Basis	Net emission increase of the new or modified stationary source exceeding:	Employs two triggers: (1) emission unit must result in an "emission increase," and (2) the PTE of all emission units covered by the ATC must be greater than the following	Potential to emit of the emission unit equal or exceeding:	Cumulative increase at the facility (stationary source) since 12/1/82 in excess of:	Stationary source NSR balance in excess of:	New stationary source potential to emit, or a modification of an existing stationary source with a new emissions increase in excess of the following:	
		amounts:					
Asbestos	0.04 lbs/hr	0.007 tpy	25 lbs/day	0.007 tons/year, 0.4 lbs/day	0.04 lbs/day	0.04 lbs/day	
Beryllium	0.0022 lbs/hr	0.0004 tons/year	25 lbs/day	0.0004 tons/year, 0.002 lbs/hour	0:0022 lbs/day	0.0022 lbs/day	
Mercury	0.55 lbs/hr	0.1 tons/year	25 lbs/day	0.1 tons/year, 0.5 lbs/hr	0.55 lbs/day	0.55 lbs/day	
Fluorides	16.4 lbs/hr	3.0 tons/year	25 lbs/day	3 tons/year, 16 lbs/hour	16.44 lbs/day	16.44 lbs/day	
Sulfuric Acid Mist	38.4 lbs/hr	7.0 tons/year	25 lbs/day	7 tons/year, 38 lbs/hour	38.35 lbs/day	38.35 lbs/day	
Total Reduced Sulfur (including H2S)	54.8 lbs/hr	10.0 tons/year	25 lbs/day	10 tons/year, 55 lbs/hour	54.79 lbs/day	54.69 lbs/day	
Municipal waste combustor organics	0.0000035 ton/year		25 lbs/day	10 tons/year, 55 lbs/hour			
Municipal waste combustor metals	15 tons/year		25 lbs/day	10 tons/year, 55 lbs/hour			
Municipal waste combustor acid gases	40 tons/year		25 lbs/day				
BACT Trigger Noncriteria, Unlisted Pollutants	No requirement	Federal PSD requirements (40 CFR 52.21)	25 lbs/day				

INTER-DISTRICT COMPARISON OFFSET TRIGGERS FOR NONATTAINMENT POLLUTANTS

	Proposed Rule	Ventura	San Luis Obispo	Bay Area	San Joaquin	Monterey
Basis	Net emission increase of the new or modified stationary source exceeding:	For ROG and NOx, the trigger is based on the potential to emit of a new or modified emission unit. For PM10 and SOx, dual triggers are used: (1) the new or modified unit must result in an emissions increase and (2) the potential to emit of the stationary source must exceed the triggers listed below:	Like Ventura, San Luis uses dual triggers: Offsets are required where (1) the new or modified unit results in an emissions increase and (2) the potential to emit of the stationary source exceeds the triggers listed below:	For ROC and NOx, offsets are required for a new or modified source (emission unit) where emissions from the facility (stationary source) emits or will be permitted to emit equal to or more than the triggers listed below. For PM10 and SOx, offsets are required for a new or modified source (emission unit) at a major facility if the net emission increase since 4/5/91 exceeds the	For ROG, NOx and CO offsets are required for new or modified stationary sources with a potential to emit exceeding the following triggers. For SOx and PM10, offsets are required for a stationary source with an NSR balance (the change in the stationary source potential to emit) in excess of the following:	For ROG and NOx, a new or modified stationary source with a potential to emit equal to or greater than the following; for PM and PM10, a new or modified stationary source with a net emission increase equal to or exceeding the following amount:
				triggers listed below:		
ROG	55 lbs/day; 10 tons/year	5 tons/year	25 tons per year	15 tons/year	10 tons/year	137 lbs/day
NOx	55 lbs/day; 10 tons/year	5 tons/year	25 tons per year	15 tons/year	10 tons/year	137 lbs/day
PM10	80 lbs/day; 15 tons/year	15_tons/year	25_tons per year	1.0 ton/year	80 lbs/day	82 lbs/day
SOx	55 lbs/day; 10 tons/year	15 tons/year	25 tons/year	1.0 ton/year	150 lbs/day	150 lbs/day

INTER-DISTRICT COMPARISON OFFSET LIABILITIES FOR NONATTAINMENT POLLUTANTS

	Proposed Rule	Ventura	San Luis Obispo	Bay Area	San Joaquin	Monterey
Basis	The net emission increase must be offset (not just the last modification that caused a source to exceed the offset trigger).	Emission increase from the new or modified emission unit must be offset.	Emission increase from the new or modified emission unit must be offset. If ROG (NOx) triggers offsets, emission increases of both ROG and NOx must be offset. If PM10 triggers offsets, emission increases of PM10, SOx, ROG, and NOx must be offset.	Net emission increase from the new or modified emission unit must be offset.	For ROG, NOx, and CO the difference in the potential to emit after the project less the potential to emit before the project must be offset. If the source started out at less than 10 tons/year (ROG/NOx), the source must offset to this emission level. For sources of CO that started out at less than 15 tons/year, the	For new sources, the potential to emit must be offset. For modified sources the difference in emissions between the existing and modified source must be offset.
					source must offset down to 15 tons/year. For PM10 and SOx, the source must offset the potential to emit of all new or modified sources since specified baseline dates.	
Offset Ratios	For all nonattainment pollutants: 1.5 to 1, to 6.0 to 1	For ROG and NOx: 1 to 1, to 3.0 to 1. For PM10 and SOx, 1.1 to 1, to 3.3 to 1.	All offsets are required at a ratio of 1 to 1.	For ROG and NOx, offsets are required at a ratio of 1 to 1 for facilities that emit or are permitted to emit 15 to 50 tons/year, and at 1.15 to 1 or sources 50 tons/year or larger. For PM10 and SOx, offsets are required at 1 to 1.	1 to 1 onsite 1.2 to 1 within 15 miles 1.5 to 1 greater than 15 miles	From '1.2 to 1, to 2 to 1.

TABLE .cont'd) INTER-DISTRICT COMPARISON -- EMISSION BANKING

	Provision	Proposed Rule	Ventura	San Luis Obispo	Bay Area	San Joaquin	Monterey	
	ACT applied Yes. See 806.D.5. RACT is required at time of use.		No specific reference.	No specific reference.	No specific reference.	Discounted at time of banking. No other reference.	RACT is required at time of use.	
a	ATC/PTO ction required or source of ERCs?	Yes. Emission reductions used for ERCs must be reflected in an ATC/PTO. See 806.D.8, 806.F.1, and 804.D.6.a and b.	No ⁷ .	Yes.	Yes.	Yes.	Yes.	
н	Discounting of ERCs.?	Yes. Shutdowns are discounted by 20% or BACT if no RACT for source, whichever is greater. Other ERCs are discounted by 10%.	Same as proposed.	Same as proposed except non-shutdown ERCs are discounted by 20%	No.	ERCs are discounted by 10% for an air quality benefit. Other discounts are unclear.	BACT for shutdowns. All ERCs are discounted by 10% to fund the community bank.	
1	foratorium on anked emission	APCO can impose a moratorium on use of banked	No mention of a moratorium.	No mention of a moratorium	APCO can impose a moratorium on deposits	APCO can impose a moratorium on the banking	APCD can impose a moratorium on the	
CI	redits.	ERCs as needed to meet air quality goals			into the bank as needed to meet air quality goals.	and withdraws of ERCs as needed to meet air quality goals	banking and withdraws of ERCs as needed to meet air quality goals.	
P	ublication	For nonattainment pollutants 15	NOx, ROC, SOx and	No specific	ERCs in excess of 40	All ERCs.	All ERCs.	
th	resholds?	tons/yr for PM10, 10 tons/year for others; for attainment pollutants 25 tons/yr, 20 tons/yr for others. See 806.F.4.	PM10 all at 15 tons/yr, 100 tons/yr for CO.	requirement.	tons/yr for ROC, PM, PM10, SOx, NOx or CO.		,	
cl	RC transfers lear through ne district?	Yes. See 806.I.	Yes.	Yes.	Yes.	Yes.	Yes.	
ге	eriodic ERC enewals equired?	Yes. Every five years. See 806.H.2.	No.	No.	No.	No.	Annual.	

⁶ Current USEPA policy requires that banked emission credits be discounted by Reasonably Available Control Technology at the time of use.

Ventura indicates that where the emission reduction occurs as a result of permit activity requiring an application for an ATC, the ATC application can serve at the application to bank emission reduction credits.

TABLE 6.6
Numerical Examples - Current/Proposed Regulation VIII Thresholds

	Description of Source					Existing Rule		Decer	nber 1996 Draft R	ule
#	Sum of post-7/79 $\uparrow s + \downarrow s$	Stationary Source PTE (6/95)	Sum of post-11/90 \uparrow s + \downarrow s	Proposed emission increase	BACT Triggered?	Offsets Triggered?	Offset subject to ratio	BACT Triggered?	Offsets Triggered?	Offset subject to ratio
1	10 tons/yr	50 tons/yr	0	24 lbs/day (i.e. 4.4 tons/yr)	Yes, because net emission increase = 3.2 pph	No, because net emission increase = 10 + 4.4	0	No Potential to Emit of the project < 25 ppd	No, because net emission increase = 0 + 4.4 = 4.4 TPY	0
2	22 tons/yr	50 tons/yr	5 tons/yr	24 lbs/day (i.e. 4.4 tons/yr)	> 2.5 pph Yes, because net emission increase = 6 pph > 2.5 pph	= 14.4 TPY < 25 TPY Yes, because net emission increase = 22 + 4.4 = 26.4 TPY > 25 TPY	26.4 tons/yr	No Potential to Emit of the project < 25 ppd	< 10 TPY No, because net emission increase = 5 + 4.4 = 9.4 TPY < 10 TPY	0
3	24 tons/yr	50 tons/yr	9 tons/yr	26 lbs/day (i.e. 4.7 tons/yr)	Yes, because net emission increase = 6.6 pph > 2.5 pph	Yes, because net emission increase = 24 + 4.7 = 28.7TPY > 25 TPY	28.7 tons/yr	Yes Potential to Emit of the project > 25 ppd	Yes, because net emission increase = 9 + 4.7 = 13.7 TPY > 10 TPY	13.7 tons/yr
4	⁻ 0 tons/yr	11 tons/yr	0	23 lbs/day (i.e. 4.2 tons/yr)	No, because net emission increase = 1 pph < 2.5 pph	No, because net emission increase = 0 + 4.2 = 4.2 TPY < 25 TPY	0	No Potential to Emit of the project < 25 ppd	No, because net emission increase = 0 + 4.2 = 4.2 TPY < 10 TPY	0
5	11 tons/yr	11 tons/yr	0	23 lbs/day (i.e. 4.2 tons/yr)	Yes, because net emission increase = 3.5 pph > 2.5 pph	No, because net emission increase = 11 + 4.2 = 15.2 TPY < 25 TPY	0	No Potential to Emit of the project < 25 ppd	No, because net emission increase = 0 + 4.2 = 4.2 TPY < 10 TPY	0
6	I1 tons/yr	11 tons/yr	-0	27 lbs/day (i.e. 4.9 tons/yr)	Yes, because net emission increase = 3.6 pph > 2.5 pph	No, because net emission increase =11 + 4.9 =15.9 TPY < 25 TPY	0	Yes Potential to Emit of the project > 25 ppd	No, because net emission increase = 0 + 4.9 = 4.9 TPY < 10 TPY	0

TABLE 6.6
Numerical Examples - Current/Proposed Regulation VIII Thresholds

	1	Description	on of Source		-	Existing Rule		De	cember 1996 Draft	Rule
#	Sum of post-7/79 ↑s + ↓s	Stationary Source PTE (6/95)	Sum of post-11/90 ↑s + ↓s	Proposed emission increase	BACT Triggered?	Offsets Triggered?	Offset subject to ratio	BACT Triggered?	Offsets Triggered?	Offset subject to ratio
7	11 tons/yr	11 tons/yr	8 tons/yr	27 lbs/day (i.e. 4.9 tons/yr)	Yes, because net emission increase = 3.6 pph > 2.5 pph	No, because net emission increase = 11 + 4.9 = 15.9 TPY < 25 TPY	0	Yes Potential to Emit of the project > 25 ppd	Yes, because net emission increase = 8 + 4.9 = 12.9 TPY > 10 TPY	12.9 tons/yr
8	0 tons/yr	90 tons/yr	0	(i.e. 4 tons/yr)	No, because net emission increase = 0.9 pph	No, because net emission increase = 0 + 4 = 4 TPY < 25 TPY	0	No Potential to Emit of the project < 25 ppd	No, because net emission increase = 0 + 4 = 4 TPY < 10 TPY	0
9	20 tons/yr	90 tons/yr	0	22 lbs/day (i.e. 4 tons/yr)	Yes; because net emission increase = 5.4 pph < 2.5 pph	No, because net emission increase = 20 + 4 = 24 TPY < 25 TPY	0	No Potential to Emit of the project < 25 ppd	No, because net emission increase = 0 + 4 = 4 TPY < 10 TPY	0
10	22 tons/yr	90 tons/yr	9 tons/yr	22 lbs/day (i.e. 4 tons/yr)	Yes, because net emission increase = 5.4 pph < 2.5 pph	Yes, because net emission increase = 22 + 4 = 26 TPY > 25 TPY	26 tons/yr	No Potential to Emit of the project < 25 ppd	Yes, because net emission increase = 9 + 4 = 13 TPY > 10 TPY	13 tons/yr
11	20 tons/yr	90 tons/yr	0	28 lbs/day (i.e. 5.1 tons/yr)	Yes, because net emission increase = 5.7 pph < 2.5 pph	Yes, because net emission increase = 20 + 5.1 = 25.1 TPY > 25 TPY	25.1 tons/yr	Yes Potential to Emit of the project > 25 ppd	No, because net emission increase = 0 + 5.1 = 5.1 TPY < 10 TPY	0

Notes: All examples are nonattainment pollutants or precursors. Units: lbs/day are assumed to convert linearly to tons/yr and lbs/hr. NEI currently is Σ (\uparrow s+nonmandated permitted \downarrow s) since 1979. NEI under draft rule is same Σ since 11/90

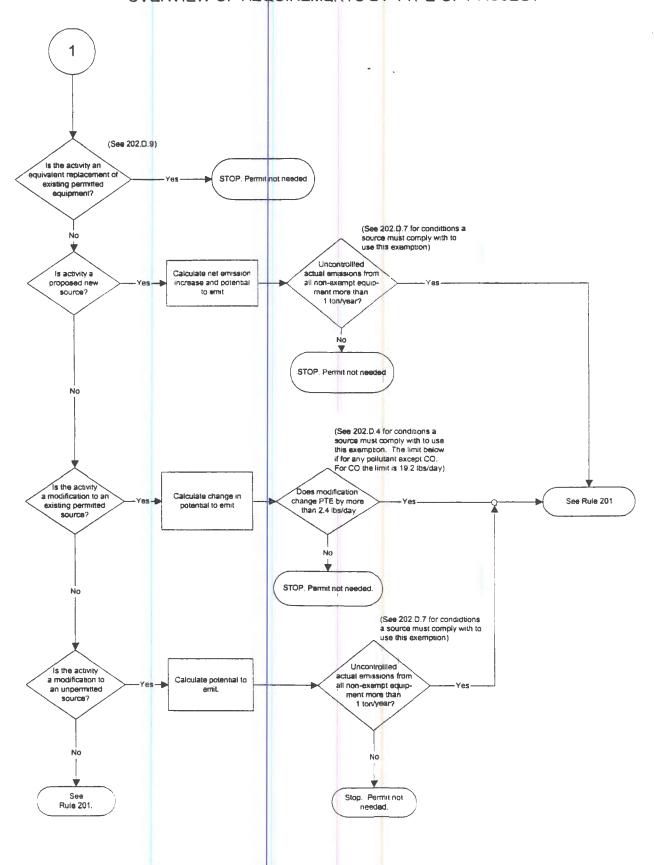
Figure 6.1

OVERVIEW OF REQUIREMENTS BY TYPE OF PROJECT¹

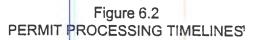


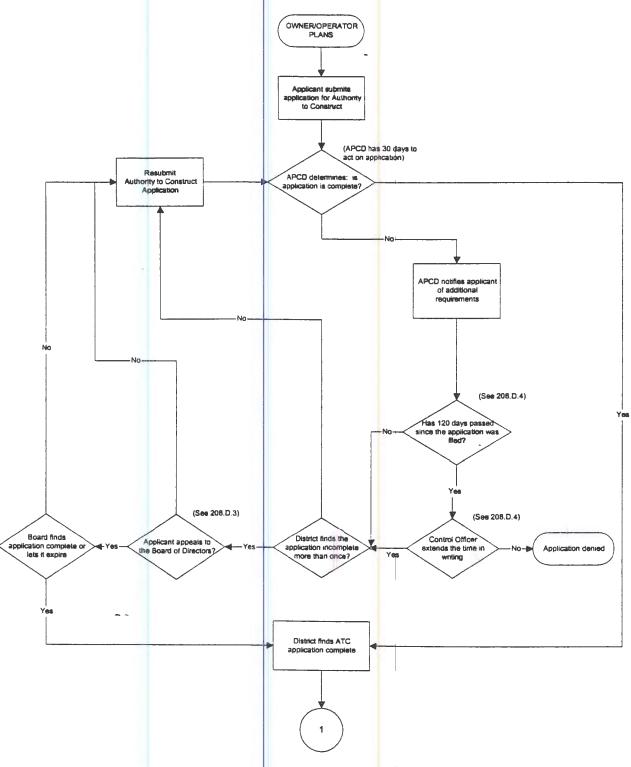
These flowcharts are presented on an informational basis to assist the reader in understanding the requirements. If there is any conflict between the flowcharts and the rule, rule exit takes precedent.

Figure 6.1 (continued) OVERVIEW OF REQUIREMENTS BY TYPE OF PROJECT



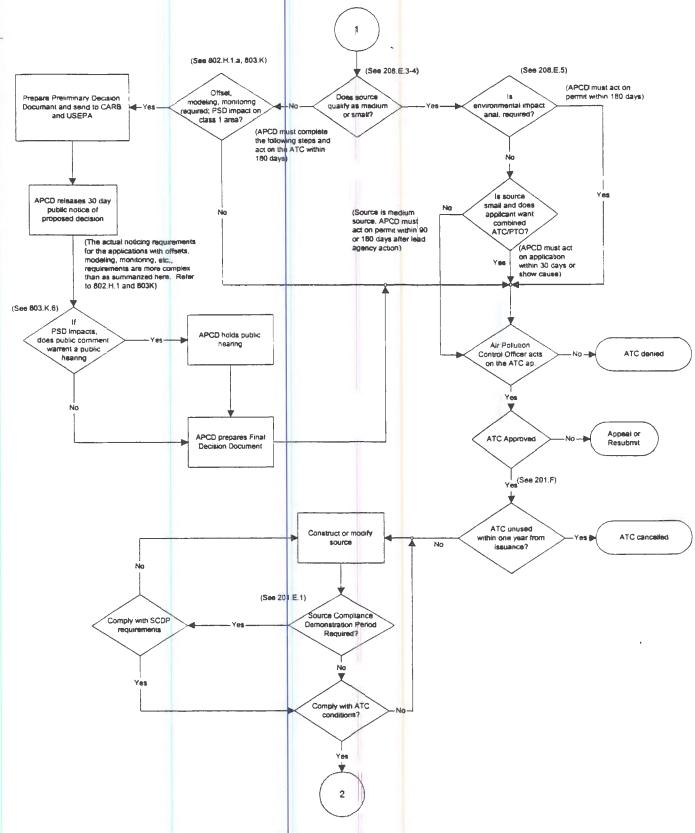
These flowcharts are presented on an informational basis to assist the reader in understanding the requirements.
 If there is any conflict between the flowcharts and the rule, rule text takes precedent.



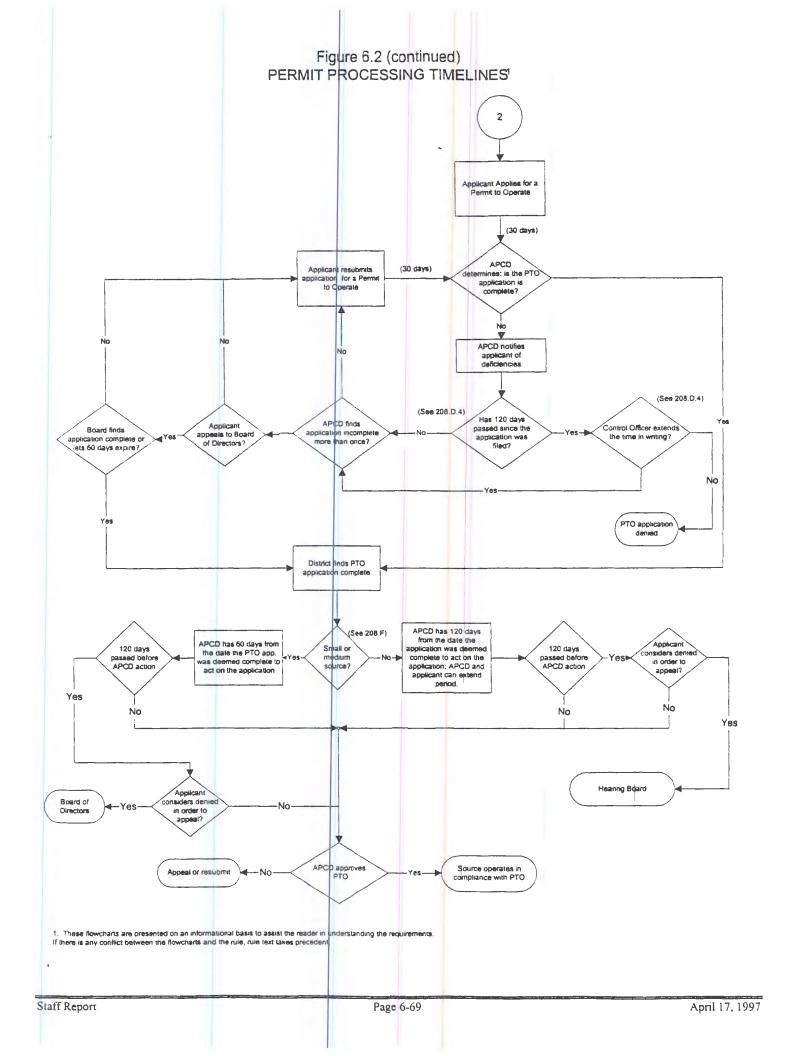


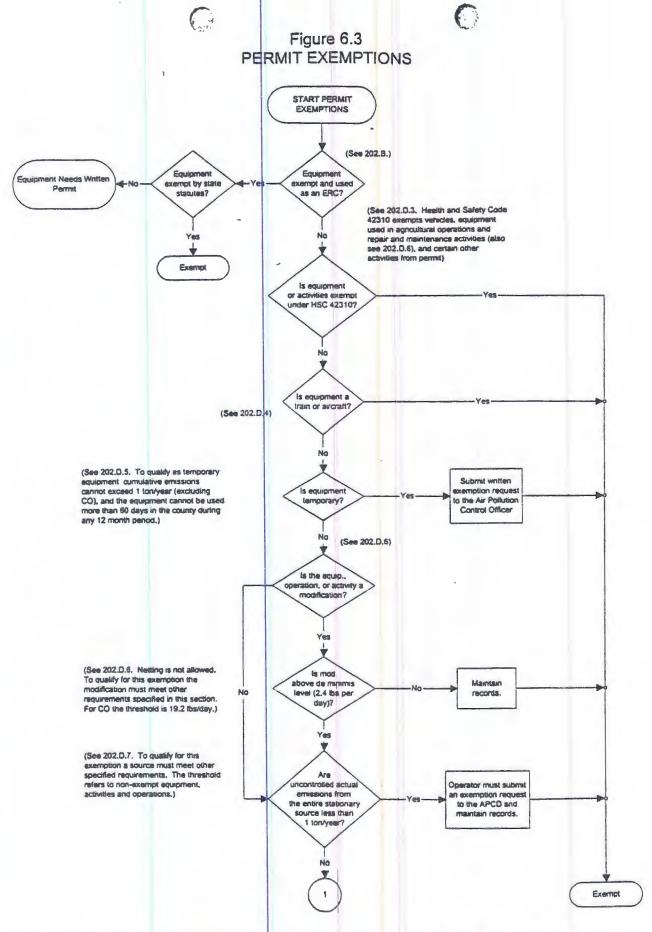
These flowcharts are presented on an informational basis to assist the reader in understanding the requirements.
 If there is any conflict between the flowcharts and the rule, rule text takes precedent.

Figure 6.2 (continued) PERMIT PROCESSING TIMELINES¹

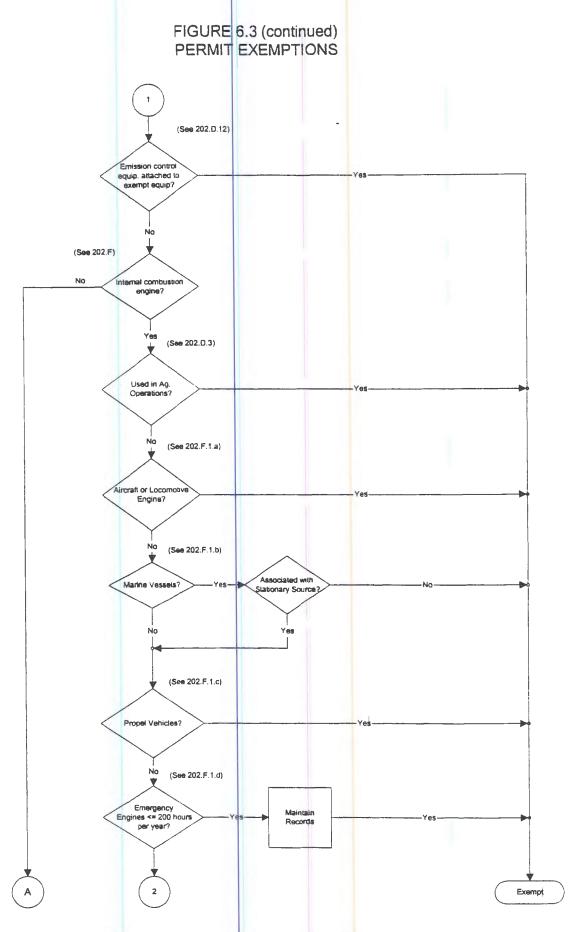


These flowcharts are presented on an informational basis to assist the reader in understanding the requirements.
 If there is any conflict between the flowcharts and the rule, rule text takes precedent.

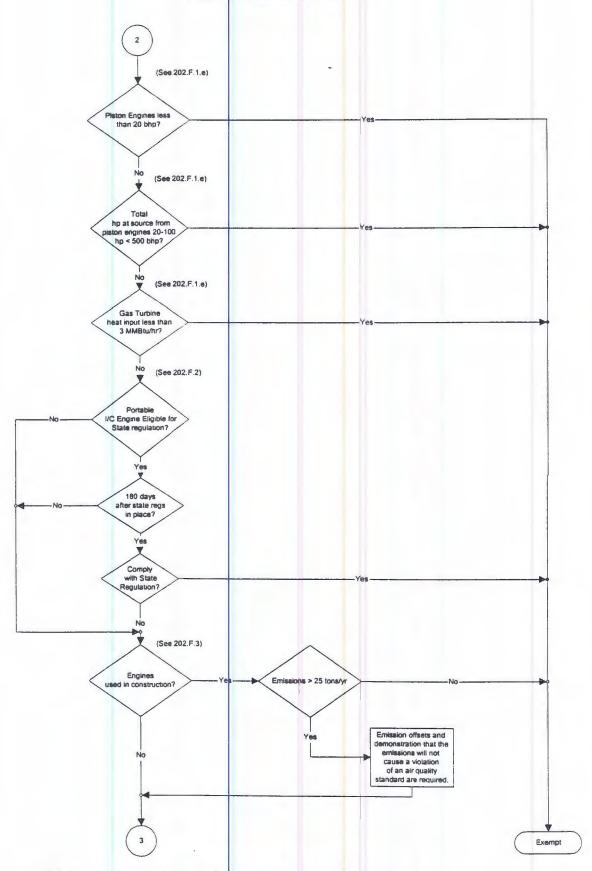




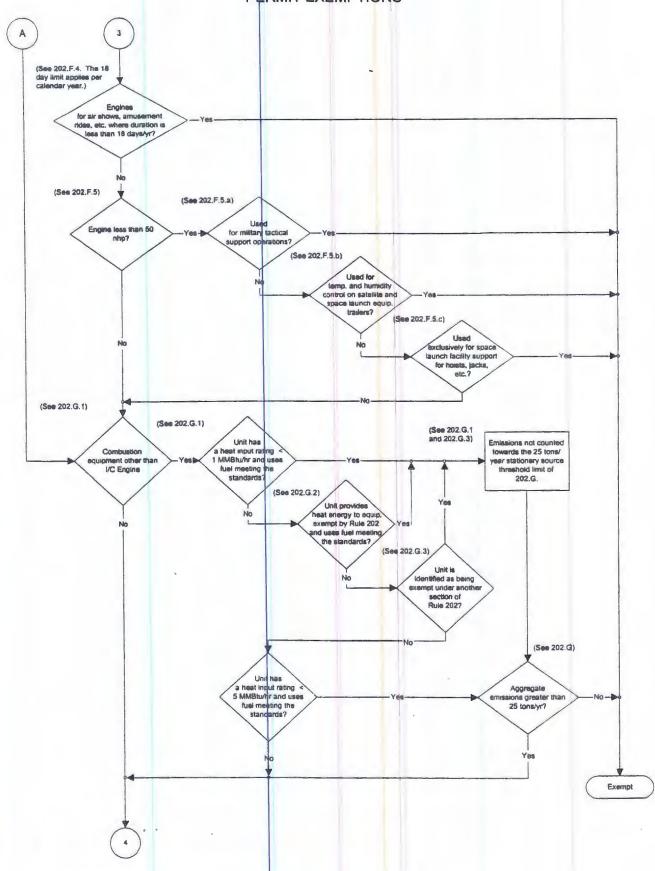
[†] These flowcharts are presented on an informational basis to assist the reader in understanding the requirements. If there is any constict between the flowcharts and the rule, rule text takes precedent.



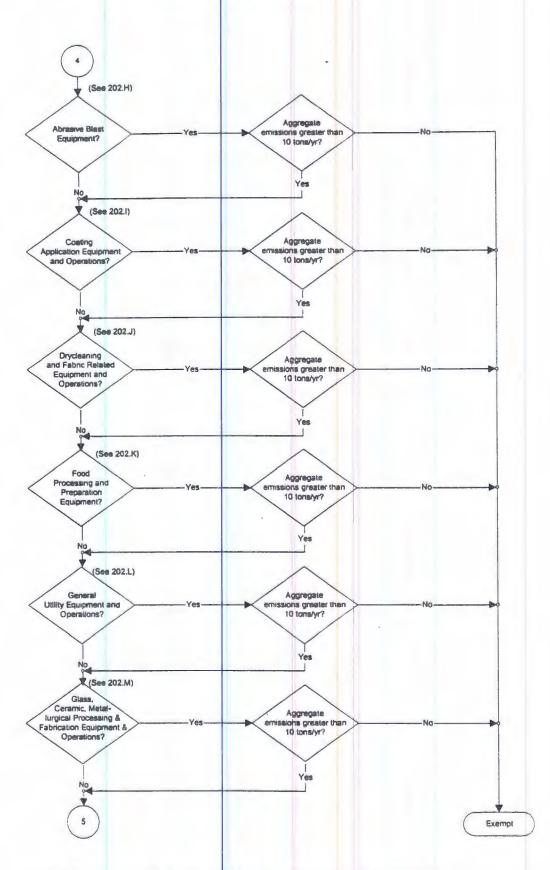
¹ These flowcharts are presented on an informational basis to assist the reader in understanding the requirements, if there is any conflict between the flowcharts and the rule, rule text takes precedent.



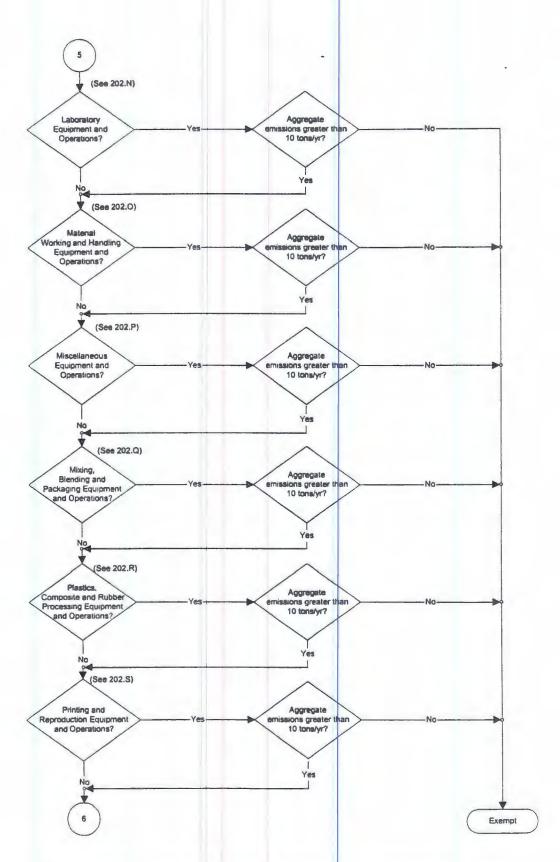
These flowcharts are presented on an informational basis to assist the reader in understanding the requirements. If there is any conflict between the flowcharts and the rule, rule text takes precedent.



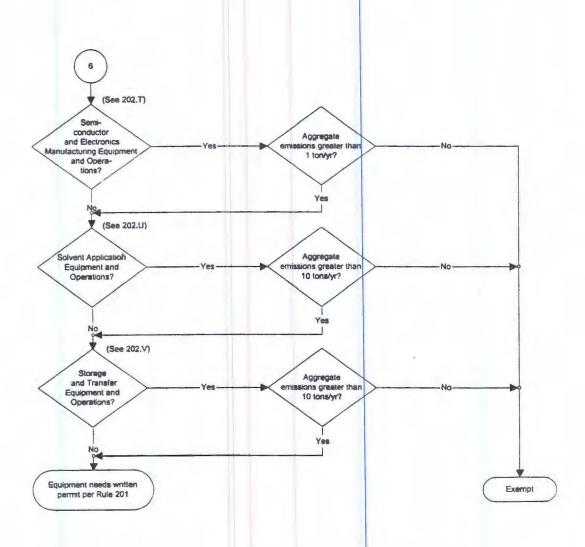
¹ These flowcharts are presented on an informational basis to assist the reader in understanding the requirements. If there is any conflict between the flowcharts and the rule, rule text takes precedent.



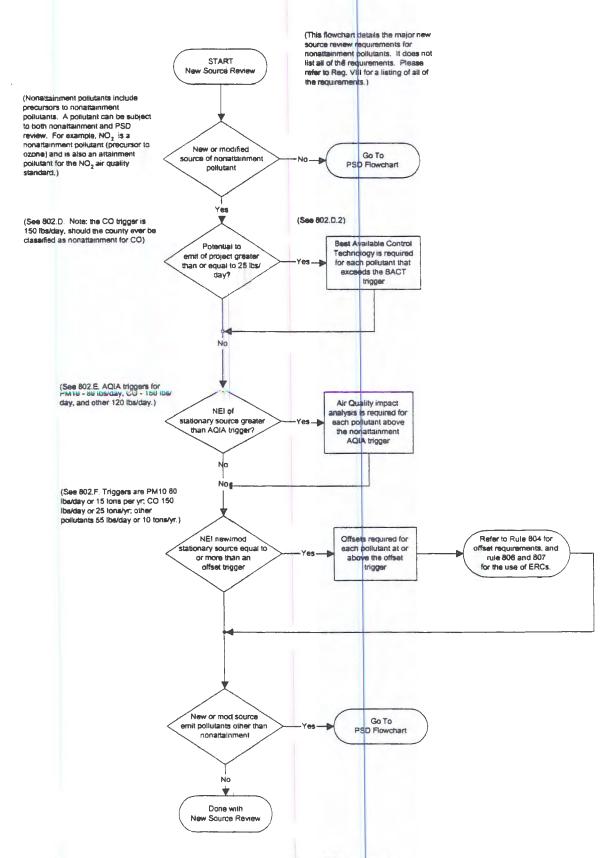
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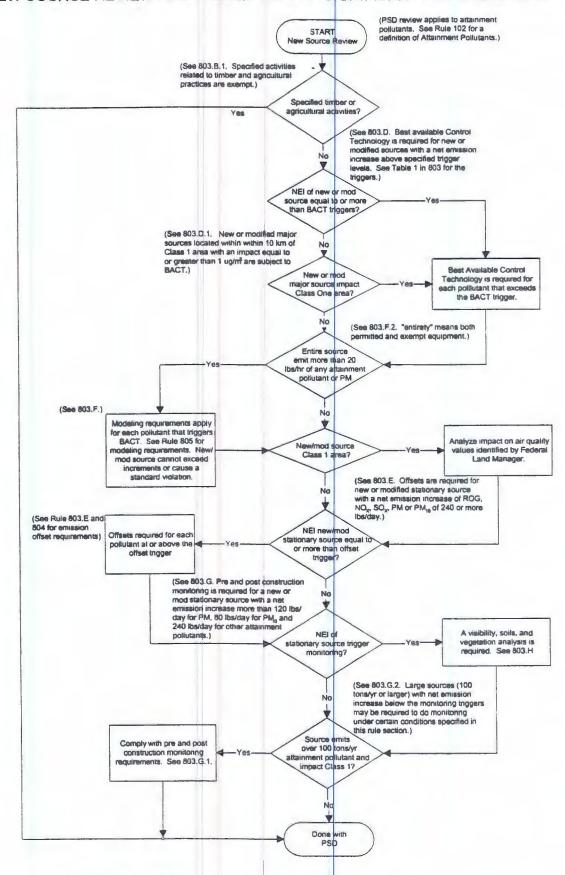


These flowcharts are presented on an informational basis to assist the reader in understanding the requirements. If there is any conflict between the flowcharts and the rule, rule text takes precedent.



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 If there is any conflict between the flowcharts and the rule, rule text takes precedent.

Figure 6.5
NEW SOURCE REVIEW AND PREVENTION OF SIGNIFICANT DETERIORATION



¹ These flowcharts are oresented on an informational basis to assist the reader in understanding the requirements, if there is any conflict between the flowcharts and the rule, rule text takes precedent.

7. Options for Meeting Emission Offset Mandates

As stated in the beginning of the staff report, state and federal laws which require the implementation of rules to regulate the permitting of new and modified sources of air pollution allow for the flexible application of those mandates. The APCD recognizes that there is more than one strategy for complying with federal and state emission offset requirements for nonattainment pollutants, and the recommended proposal presents one such option.

This section provides alternatives to the proposed option. APCD staff feel that the options provided below would give the same overall balance between flexibility and protection of air quality as the currently proposed rules while at the same time complying with state and federal mandates.

Option 1.

Section 40918 of the California Health and Safety Code requires the establishment of a permit system which ensures no net emission increase from new or modified sources with a potential to emit 25 tons per year or more of non-attainment pollutants. The simplest manner to achieve this result, and the strategy adopted by most other districts, is to require offsets for all emission increases for sources with a potential to emit 25 tons or more of a non-attainment pollutant.

This option would comply with both state and federal mandates. It would also confine the application of offsets to the biggest sources of air pollution in the County. One advantage of this strategy would be to allow for unmitigated growth in the small and medium size industry sector of the economy while ensuring that growth in the larger major polluting source industry sectors is mitigated.

Another factor to be considered is that most major sources of air pollution emit air pollution at such magnitudes that they would typically be able to find reductions at their facilities at the time they would be making modifications. Thus, by balancing out the increases of emission with reductions, the requirement for offsets could be avoided if the resulting net emission increase is below threshold levels. Also, most of the greater than 25 ton per year sources are in the petroleum industry that is a declining industry due to the depletion of petroleum reserves and relatively low price of the heavy crude oil produced in Santa Barbara County. Consequently, it is unlikely that these industries will be seeking to expand their operations. However, one source which would be affected by this option is Vandenberg Air Force Base. This space vehicle launching facility is planning on significant growth due to commercial space applications and the consolidation of military installations across the nation.

One effect of this strategy is that the entire burden for growth mitigation would be borne by a small minority (approximately 30) of the largest pollution sources in the county. However, the new emission reduction credit registration system should assure that required offsets are available.

Although the staff is recommending a different alternative, staff has no reservations about implementing this option should the Board direct us to do so.

Option 2.

The APCD has received comments requesting that the Board adopt permitting regulations which include the concept of a "rolling" net emission increase used by the US Environmental Protection Agency. What this means is that increases and decreases in permitted emissions would drop off the calculation of net emission increase after some specified time period (e.g. 5 years). The effect of this policy is that a source may grow up to the offset threshold, then wait until the accumulated Net Emission Increase drops off and then start with a blank slate and grow up to the threshold again without mitigating the growth. This method could result in unlimited unmitigated air pollution growth in the

To prevent such pollution growth when a "rolling" Net Emission Increase is used, EPA requires a net emission increase calculation that subtracts a source's actual emissions from its potential emissions, thus dramatically increasing its offset liability. For instance, if a source has a process with a current permitted emission rate of 100 tons per year and the actual emissions are only 50 tons per year and they apply for a 10 ton per increase so that the permitted emissions would be 110 tons per year, the offset liability for the modification would be 60 tons per year, the difference between the current actual emissions and the new permitted emission limit. US Environmental Protection Agency requires this method of calculating Net Emission Increase because clean air plans are based on actual emissions, not permitted emissions, and the existence of significant potential emission growth within existing permits may interfere with an area's ability to meet the goals of its clean air plan and attain the health standards. Also, by setting a new baseline based on actual emissions at the time of each modification, the potential for "infinite pollution growth" is limited.

This optional program would have the effect of significantly reducing the amount of permitted emissions in the county as sources which apply for modifications would have a strong incentive to decrease their offset liability as much as possible. For example, the Vandenberg Air Force Base STS Power plant has permitted emissions of approximately 27 tons per year NO_x but actual emissions of about 20 tons. A modification to bring the plant's capacity up to the 27 tons per year emission limit would give them an offset liability of about 7 tons. In another example, a mineral processing line with a permitted emission rate of 50 tons per year but which is limited by a "bottleneck" in the line to 20 tons per year would incur an offset liability of 30 tons per year if they de-bottlenecked the line to increase production to the permitted limit. Because most of the sources with permitted emission rates over 25 tons per year have actual emissions significantly lower than permitted emissions, the implementation of this strategy would comply with the state mandate to ensure no emissions growth in the sources with a potential to emit of over 25 tons per year.

The APCD has three major concerns with this strategy. First, and most importantly, even though the county may realize a henefit of a substantial reduction in countywide permitted amissions (or large amounts of offsets for small actual increases), there would still be a

potential for unmitigated growth from new sources and sources with permitted emissions close to actual emissions. Second, it could produce higher offset requirements for modified sources. Finally, there would be a significant increase in the complexity involved in calculating the Net Emission Increase. Sources would be required to maintain accurate and precise data (beyond the currently required accuracy and precision standards) on the actual emissions from all existing processes. Thus, there would be an increase in the level of record keeping needed to ensure sufficiently detailed actual emissions data is available should a source need to perform the Net Emission Increase calculation at some future point in time. Staff has indicated that more time would be required to process applications and that sources could expect delays due to lack of data. Also, the APCD costs of processing permit applications could rise significantly. Therefore the APCD does not recommend the adoption of this option.

8. Clarification of Rule Issues

During public meetings and through discussions with in-house staff, members of the regulated community and staff raised questions about the intent of certain rule provisions. The following text provides clarification of frequently asked questions, as well as discussion of specific items requested by the Community Advisory Council Subcommittee. To help the reader locate a specific issue, a table of contents is provided below.

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Rule 201

Cancellation of Permits

Question: Under what conditions can a permit be canceled?

A Permit to Operate can be canceled upon request, or an ATC can be canceled for lack of use, however revocation or suspension can occur only for non-compliance with permit conditions or non-payment of fees.

Nonroad Engines

Question: Does the APCD have the authority to regulate "nonroad" engines that are subject to regulation by USEPA of the federal Clean Air Act Amendments?

Rule text (201.D.2.) specifically requires permits for dredges, pile drivers, pipe laying and derrick barges. The APCD has the authority to permit such sources pursuant to the federal nonroad engine legislation at 40 CFR 89. In the preamble to this legislation (IV. Definition of nonroad engine), EPA states "... Nothing in section 209 of the CAA prohibits local pollution control districts from regulating the operation of nonroad engines, such as the hours of usage, sulfur limits in fuel (state fuel restriction may in some cases be precluded under section 211), daily mass emission limits, and Title 1 operating permits. In addition, local districts can impose a permitting fee consistent with the costs incurred for various operational expenditures, such as monitoring usage and administrative-functions. EPA believes that utilization of this option will assist local districts in achieving their targeted emission levels." Language has been included to clarify that BACT is not required if preempted by federal law.

In response to request from industry, the APCD reviewed an ATC for one of the newer oil and gas processing facilities that included installation of platforms and pipelines. Based on potential as well as actual emissions, derrick barges and pipelaying vessels are extremely large emitters of air contaminants. The potential emissions associated with this one project from pipe-laying and derrick barges totaled more than 500 tons of NOx. The APCD concludes that all permit requirements not preempted by state or federal law, are appropriate for emissions of this magnitude.

Examples of activities that would require a permit under 201.D.2 include:

- Non-emergency dredging of Santa Barbara Harbor with diesel equipment on a barge.
- Pipeline laid between OCS or state platforms.
- Pipeline laid between unpermitted sources in state or federal waters

- Installing or extending piers in Santa Barbara County.
- Pile driving sheet piles for beach restoration or erosion prevention projects.
- Any abandonment activity (platform, wells, pipeline).

Registered Professional Engineer

Question: Why does the rule text indicate that the APCO may require disclosures to be certified by a registered engineer?

The APCD has encountered situations involving, for example, ventilation systems which were improperly designed and failed to function in compliance with permit conditions. The delay and subsequent added expenses for the applicants could have been avoided by engaging an engineer properly qualified to design and review such systems.

Rule 202

Agricultural Operations

Question: Are agricultural operations exempt from APCD permit?

Under state law, equipment must be "incidental" to the agricultural operation to be exempt from permit. Equipment that is not incidental to agricultural operations requires a district permit unless otherwise exempt.

Changes to the De minimis Exemption

Question: Why was the de minimis exemption (202.D.6) revised and what are the changes?

The de minimis exemption has been revised for clarification:

- The term "emission unit" has been added to clarify that the exemption applies to the project in the broadest sense, not to individual components of equipment such as a single valve or a single flange.
- The exemption has been expanded to apply to the addition of new equipment.
- The emission thresholds have been revised to a daily, rather than hourly basis and apply only to emissions increases, rather than all changes.
- The baseline date was modified to be consistent with the new source review rules.
- The aggregate tally is simply the sum of the individual de minimis events.

- Aggregate emissions are zeroed out once the permit and the net emissions increase for the source.
- Text was added to clarify that only the increase is reviewed and netting out is
 not allowed. For obvious reasons, an emissions unit which was previously
 added as a de minimis in the aggregate and which is subsequently removed, may
 zero itself out.
- Exclusion added for equipment subject to an Air Toxic Control Measure for consistency with 202.D.7. (Stationary Source Permit Exemption).
- Text was added to clarify that the de minimis calculations are based on potential to emit. Prior reference to air pollution control equipment was deleted.
- A documentation requirement, including supporting calculations, was added to address problems encountered during APCD audits of exemption claims.

De Minimis Exemption and NSPS and NESHAP Standards

Question: Rule section 202.D.6.c (March, 1996 draft) seems to suggest that if a source is subject to a NSPS or NESHAP standard that the source cannot take advantage of the de minimis exemption. Is this the intent?

No. A source can take advantage of the de minimis exemption provided that the de minimis modification itself is not subject to a NSPS or NESHAP standard. This is current APCD practice. New proposed language clarifies the intent.

De minimis Exemption - Examples

At industry request, the APCD reviewed de minimis reports from a large oil and gas facility that includes offshore platforms. Tracking of additions was accomplished on a standardized form, was not onerous, and did not result in any single or cumulative exceedance of the de minimis threshold at the onshore facility or on the platforms. The following examples clarify how the de minimis exemption is applied:

1. An owner of an existing offshore oil and existing gas compression system. There will be many new components (valves and connectors) in hydrocarbon service. Emissions will be 2.1 pounds per day of ROC (the potential to emit is based on controlled emission factors since the new components will be subject to the existing I&M program which is included in a federally enforceable permit). All the new components are part of an existing emissions unit, the gas compression system, and are all used to determine whether the exemption applies. The modification is considered de minimis and is exempt from permit. The emissions increase of 2.1 pounds per day is added to the source's de minimis aggregate tally.

- 2. An existing medical device manufacturing company needs to install a small spray booth for applying a specialized Teflon coating to one of their production lines (Product X) that is not subject to District permit requirements. The Teflon coating contains up to 20 percent ROC by weight, the potential to emit is 1.5 pounds per day and there are no applicable RACT control measures. The emissions unit is the production line that produces Product X, which will now include the new spray booth. The modification is considered *de minimis* and is exempt from permit. The emissions increase of 1.5 pounds per day is added to the source's *de minimis* aggregate tally.
- 3. A new source wishes to add a solvent wipe cleaning workstation to the facility. The uncontrolled actual emissions are estimated to be 2.0 pounds per day (0.26 tons per year) of ROCs. The plant manager requests that the workstation qualify for the *de minimis* exemption. The *de minimis* exemption does not apply to new sources (see definition of *New Source* in Rule 102). However, the Section D.7 (Stationary Source Permit Exemption) is applicable since the actual emissions will be below one ton per calendar year.
- 4. An existing source has documented ten *de minimis* increases with a resulting aggregate *de minimis* tally of 23.00 pounds per day of ROC. A new *de minimis* modification is being planned that will put the source over the 24.00 pound per day aggregate *de minimis* limit. What options are available to the operator? A number of options are available. They include:
 - (a) submit an ATC permit application for modification at hand (keeping the de minimis aggregate tally alone).
 - (b) zero out the *de minimis* aggregate by submitting a combined ATC/PTO permit application to add the 23.00 pounds per day of ROC to the source's NEI. Depending on the prior NEI for the source, offsets may or may not be required from the Source Register. The modification at hand can then occur as *de minimis* and the aggregate tally is restarted.
 - (c) permanently remove from service one or more of the equipment items that comprised the ten inputs into the aggregate tally. Other than including the aggregate de minimis increases into the source's NEI, this is the only valid way to decrease the aggregate tally. In essence, the prior de minimis increase(s) ends up "zeroing" itself out, thus no netting occurs.
- A source will be installing an emission control device (e.g., a fixed-bed carbon adsorption unit) to an existing permitted process line to reduce the issuance of ROC compounds. The plant manager requests that this modification be considered *de minimis* since emissions from the process will

be reduced. The modification does not qualify for the *de minimis* exemption and an ATC permit is required pursuant to Rule 201.D. Equipment used to eliminate or reduce or control the issuance of air contaminants do not qualify for permit exemption. The only exception is for emission control equipment directly attached to equipment exempt under Rule 202 (re: Section D.12).

6. An existing source wishes to replace an emissions unit with an equivalent emissions unit. The potential to emit of both emission units are the same (e.g., 20 pounds per day). Is this a *de minimis* modification? No. The purpose of the *de minimis* exemption is to exempt small emission increases from the requirements of the permit process. As such, only the increase of the new or modified equipment is evaluated. In this example, the replacement itself exceeds the *de minimis* threshold by an order of magnitude. The replacement may, however, qualify for permit exemption if it is an equivalent routine replacement pursuant to the provisions of Section D.9.

Drilling Rig Exemption

Question: What equipment are covered by the drill rig exemption in Rule section 202.F.2?

Drilling equipment includes drill rig, workover rig and exploratory rig engines. Temporary engines that are ancillary to the drilling rig or workover operation - such as wireline unit engines, nitrogen skid unit engines, pump skid engines - are considered drilling equipment. Emissions from platform engines such as crane engines and well-kill pump engines are not included in the drilling equipment exemption.

Equipment Category

Question: Do the gatekeepers in each section (e.g. 25 tpy in Section G. and 10 tpy in Section H.) apply to each of the equipment categories listed in each section (e.g., H.1)?

Each line item within a section is a separate equipment category. For example, item L.1. Heat exchangers is an equipment category, however shell-and-tube heat exchangers are *not* a different equipment category than fin-fan heat exchangers.

Exemptions and Relation to Net Emission Increase and Potential to Emit

Question: Do emissions from exempt (Rule 202) activities/equipment count towards Potential to Emit and Net Emission Increase used to determine:

- If a source qualifies for the stationary source exemption?
- If a modification qualifies for the modification exemption?

• If a source triggers any applicable New Source Review requirements (for example, Best Available Control Technology, emission offsets, air quality impact analysis)?

Emissions from equipment exempt under Rule 202 do not count towards the stationary source exemption or modification exemption provided by Rule 202 (202.D.6 and D.7). However, if the aggregate emissions from the source exempted by the De Minimis exemption (D.6) exceed the aggregate exemption limit given in D.6 then the emissions count towards NEI and PTE. If this happens, and the emissions have been added to NEI and PTE then the aggregate emissions per D.6 is reset to zero.

Health Risk Assessment

Question: Does the Health Risk Assessment referred to in Section D.13 pertain to a Health Risk Assessment performed pursuant to the requirements of AB 2588?

The Health Risk Assessment referred to in 202.D.13 is not the health risk assessment performed pursuant to the requirements of AB 2588, but is the Health Risk Assessment required by the permitting engineering evaluation for an APCD permit (204.E.6)

Portable Equipment

Question: What kinds of equipment will be affected by the statewide portable equipment registration rule? Is rental equipment exempt?

Equipment being proposed as eligible for statewide registration includes portable engines used for well drilling, service or workover rigs, power generation, pumps, compressors, diesel pile-driving hammers, welding, cranes, woodchippers, dredges, and military tactical support engines. Construction equipment could include such items as jackhammers, and many of the portable units, such as welders and cranes. An unregistered piece of equipment that does not meet the temporary limits for emissions or time must get a permit. Some overlap of temporary and portable equipment is inevitable. Rental equipment is treated like any other equipment and does not qualify for any exemption based only on the fact that it is rented. See discussion under temporary equipment below for examples of typical temporary equipment that would qualify for the exemption at 202.D.5.

Routine

Question: Language has been added that exempts equivalent routine replacements from permit. What is routine?

Staff intends to rely on EPA's concept of "routine", i.e., that it does not regain or increase capacity or extend the expected useful life of an emission unit and there is

no increase in emissions (EPA 10/2/96 fax communication from Bob Baker to Larry Rennacker).

Replacements - Notification

Question: Rule text indicates that the APCD must be notified of equivalent routine replacements. What type of notification is required for identical replacements?

No notification is required if the routine replacement is identical, i.e. same make and model. However the source must maintain records demonstrating the replacement is routine and identical.

Replacements - Fees

Question: Rule text requires notification for equivalent routine replacements. Will a fee be charged for covering the APCD's review of such notices, including those sources on cost reimbursable basis?

No. Sources whose fees are structured on a cost reimbursable basis will not be charged an additional fee.

Structural change

Question: Rule Section 202.D.8 indicates a permit is not required for repair or maintenance of permitted equipment not involving structural changes. What is a structural change and why isn't it defined in the rule?

Rule text language is taken from the Health and Safety Code (Section 42310) and therefore has specific statutory use. In general, structural change refers to any change to an existing piece of permitted equipment that affects, or may affect the issuance of air quality contaminants.

Temporary Equipment

Examples of temporary activities that qualify for the temporary equipment exemption (202.D.5) include, but are not limited to:

- 1. ICE's from cranes, welders, jack hammers, etc. used during the demolition of a source or part of a source.
- 2. Replacement or use of equipment during a breakdown situation.
- 3. Demonstration equipment being used to determine feasibility (not lab test equipment).
- 4. Any short-term, one-time project that requires equipment that pollutes is eligible if it meets the 1 ton criteria of all affected pollutants. The Portable Equipment

Registration Rule is intended to handle portable equipment that emits more and is used for longer periods of time.

5. While written notification is required, the project may commence as soon as notification is made without waiting for approval from the APCD. However, if a project commences with equipment that is later found not eligible for the exemption, the commencement will constitute a violation of the APCD's Rules and Regulations

Rule 204

BACT Emission Units

Question: Does Rule section 204.E.3.a.7, as modified at industry request, always allow an alternative to both an emission cap and an emission concentration limit?

The alternative BACT emission limit language was added to address the rare case where the emission cap and operating capacity limits are not appropriate. The intent is to follow USEPA guidance which requires that BACT emission limits be met on a continual basis at all levels of operation, demonstrate protection of short-term ambient standards and be enforceable as a practical matter.

Exemptions - notification requirements

Question: Section E.1.f. requires an applicant seeking an exemption to supply the APCD with enough information to determine whether the exemption applies. Does this mean that in order to qualify for an exemption the owner/operator must submit a written request to the APCD?

Section E.1.f pertains to information needed for an authority to construct permit or a permit to operate. Such applications must list all affected equipment, including exempt equipment. In order to determine whether or not a piece of equipment is exempt, the APCD must have access to enough documentation to confirm its exempt status at the time the permit application is being evaluated. This is not the same as a written request for an exemption, and there is no fee pursuant to 210.F.

Health Risk Assessment - When Required

Question: Section E.6 specifies data requirements for a health risk assessment. Specify which sources and under which circumstances these provisions would be triggered.

A health risk assessment may be required for sources of toxic pollutants, based on factors such as proximity to sensitive receptors (schools, hospitals, day-care centers), the potency and quantity of the toxic air pollutants emitted, and the distance between the emissions unit and the facility boundary.

Currently, the APCD requires health risk assessments for contaminated soil remediation projects because such projects emit benzene, are frequently located in populated areas, and therefore pose a potential significant health risk. In general, the APCD is concerned about proposed projects which may pose a significant health risk due to emissions of toxic air contaminants and has established permit information requirements to assure the APCD meets its obligations under the Health and Safety Code (i.e., protect the public's health). Excluding contaminated soil projects, the APCD has not established explicit criteria for determining when a health risk assessment is required as part of the permitting process. This does not, however, preclude the APCD from performing health risk assessments for projects that, in the APCD's judgment, may have significant adverse health effects. APCD staff have targeted Air Toxics New Source Review as one rule change that may be warranted during the next year to clarify the APCD's permitting requirements for toxic air contaminants.

Timing of the Processing of ERC and ATC Applications

Question: If a proposed new source needs emission reduction credits, do the emission reduction credits have to be approved before the APCD can deem the application for the construct for the source permit complete?

No. As indicated in section 204.E.5, the APCD must have information necessary to determine the adequacy of the Emission Reduction Credits before it can determine if the authority to construct permit is complete. At a minimum, this means the APCD must deem the application for the Emission Reduction Credit Complete before it can deem the Authority to Construct complete, and the application for the Emission Reduction Credits must be approved before the Authority to Construct is approved.

Rule 801

Applicable SIP

Question: In the definition of permanent, what is the applicable SIP?

Several provisions of Rule 801 use the term "Applicable State Implementation Plan." For example this term is used in the definition of permanent. What is meant by the term "Applicable State Implementation Plan" as used in Rule 801?

Several sections of Regulation VIII contain provisions pertaining to "applicable State Implementation Plan." The definition of "State Implementation Plan," depends on how it is used. For example, the definition of "surplus" in Rule 801.C indicates that only those emission reductions "surplus" to the State Implementation Plan can be used as offsets. In this context, State Implementation Plan refers to the Clean Air Plan and APCD Rules and Regulations that have been promulgated into the State Implementation Plan by the US EPA.

The definition of "permanent" in Rule 801.C states that in order for emission reductions to qualify as emission reduction credits, the reductions must be federally enforceable. One way for the reductions to be federally enforceable is the through the State Implementation Plan. In this context, the State Implementation Plan refers to APCD rule provisions governing the enforceability of the emission reductions used as emission reduction credits, primarily the provisions of Rule 806. Once Rule 806 is incorporated into the State Implementation Plan, it will be federally enforceable.

Certification Statement

Issue: Clarify why operator must show other facilities in state are in compliance.

This requirement is in the current New Source Review Rules and is mandated by the Clean Air Act, 42 US Section 7503. The APCD will follow EPA's guidance on the application of this requirement.

Net Air Quality Benefit

Question: The rule defines net air quality benefit as "...a net improvement in air quality resulting from actual emission reductions impacting the same general area affected by the new or modified source and which will be consistent with reasonable further progress." What does this mean? Please elaborate.

This means that the emission reductions used to offset the proposed project are quantifiable and enforceable, are within the same geographic region, are surplus and permanent and will result in an overall net improvement in air quality.

The term actual emission reductions is defined in rule 102 and ensures that emission reductions are quantifiable and enforceable. The requirement for the same general area is met through the appropriate offset ratios stated in Proposed Rule 802 for New Source Review. For Prevention of Significant Deterioration the requirements for the same general area are met through the requirements set forth in Rule 803 Section E.2, Location of Offsets and Offset Ratios. Surplus means that the emission reductions are not required by any local, state or federal regulation. Examples include local control rules, clean air plan control measures, reductions relied upon in the clean air plan, federal and state RACT measures, New Source Performance Standards, and National Emission Standards for Hazardous Air Pollutants. Permanent means that the change that created the emission reductions is not reversed, for example removing emission control equipment. The term permanent is also used to address shift in load such as removing an emission unit but maintaining facility production by increasing throughput and emissions in another emissions unit.

Net Emissions Increase Calculations

Please explain how the net emissions increase ("NEI") calculation works. How are emission decreases accounted for in the calculation of net emission increase?

Answer: The definition of NEI now resides in Rule 801. The two significant changes to the definition are: (a) a change in the baseline date to 11/15/90 and (b) a clarification that the PTO issuance date is used for determining the NEI. No other significant changes were made to how the NEI calculation is applied.

To aid the user, the NEI definition was amended to clarify how the calculation works. The most important clarification is the inclusion of two equations for calculating the NEI. The first equation applies to an entirely new stationary source:

Net emission increase = I

Equation #1

Where

I = Potential to emit of the new source

The use of this equation is fairly self evident. Simply put, the NEI equals the potential to emit ("PTE") of the equipment subject to permit.

The second equation applies to existing stationary sources:

Net emission increase = I + (P1 - P2) - D

Equation #2

Where

- I = Potential to emit of the modification.
- P1 = All prior increases in potential to emit resulting from permit actions at the stationary source where the emission unit creating the increase was permitted on or after November 15, 1990 and where the permit action was subject to New Source Review.
- P2 = All decreases in potential to emit resulting from permit actions at the stationary source, including the proposed modification where the modification reduces the potential to emit of the emission unit, and where the emission unit creating the decrease was permitted on or after November 15, 1990 provided the emissions were included in P1 above.
- D = Decreases in actual emissions resulting from permit actions at the stationary source provided the emissions are not included in P2 above and are not included in the source register or used as a source of emission offsets.

The second equation reflects the basic steps on how NEI was calculated under the prior rule (205.C) and thus the new rule does not reflect a change in that approach. The *I* term is the PTE of the new or modified emission units and can only be

comprised of positive values. The I term includes only the requested increase(s) in the PTE for the emission unit(s). The (P1 - P2) expression addresses the prior NEI of the source. P1 includes all increases in emissions since the baseline date that were subject to New Source Review. P1 would not include emissions from previously exempt emission units since these emissions would not be subject to NSR. P1 can only be comprised of positive values. The P2 term is included to allow for decreases in the term P1 and is based on the PTE of the emission unit(s). P2 should not be confused with decreases allowed in the term D since the latter can only be based on actual emissions and not PTE. P2 is used in very specific situations. Namely, P2 allows for decreases in the P1 emissions such that ghost NEI emissions are not left on the books. Thus the effect of P2 is to zero out any corresponding NEI increase that is included in P1 for the same emissions unit where that emissions unit is removed from service or where the emission unit's PTE is reduced. The D term allows for decreases in emissions and can only be comprised of negative values. D is based on an actual emissions baseline and not the PTE of the emissions unit. Double counting is not allowed, so if the emissions unit is used as a decrease in the P2 term, then it cannot be used in the D term. In determining the emissions baseline for D, the same procedures and criteria used for qualifying an emission reduction credit are used. This includes use of a three year baseline and quantifying emissions at actual historical loads (which may necessitate source tests if prior tests were not representative of these operational loads). In general, the decrease must be real, surplus, quantifiable, enforceable and permanent. Finally, negative NEI is not allowed. If a source calculates a negative NEI, then the NEI is set to zero and the balance should be banked in the Source Register for future use (it is the source's responsibility for registering these reductions).

A few examples are provided:

Example #1:

Scenario: An application for a new cement batch plant is submitted to the APCD. The company submitting the application is not permitted by the APCD. The company's application lists the potential daily and annual emissions of PM₁₀ at 20 lb/day and 5 tpy respectively. No other pollutants will be emitted.

Analysis: Because this application is for an entirely new stationary source, Equation #1 is used and the requested increase (I) is equal to the potential to emit of the new cement batch plant. Therefore, the NEI equals 20 lb/day and 5 tpy respectively for PM₁₀. BACT and offsets are not required.

Example #2:

Scenario: An application for a new boiler is submitted by an existing source. All existing equipment under permit was installed prior to 1990. The potential emissions from the new boiler are 50 lb/day and 9 tpy of NO_x (this example ignores the other pollutants). No decreases in emissions are proposed by the source.

Analysis: This is an application for an existing source, so Equation #2 is used. The increase (I) is equal to 50 lb/day and 9 tpy. There is no prior NEI at the source, so the P1 and P2 terms are zero. No decreases are proposed, so the D term is zero. The NEI in this case is equal to I, since all other terms are zero. NEI equals 50 lb/day and 9 tpy. BACT is required for NO_x, a nonattainment pollutant.

Example #3:

Scenario: An application for a new boiler (Unit D) is submitted by an existing source. The source has three existing boilers (Units A, B, C). Unit A was permitted prior to 1990 and Units B and C were permitted afterwards and were subject to NSR. The potential emissions from Unit D are 20 lb/day and 4 tpy of NO_x (this example ignores the other pollutants) and 15 lb/day and 3 tpy for Units A, B and C. The actual emissions from Unit A have been verified as being 10 lb/day and 2 tpy. The source is proposing to remove Units A and C from service.

Analysis: This is an application for an existing source, so Equation #2 is used. The increase (I) is equal to 20 lb/day and 4 tpy. There is prior NEI at the source. P1 is equal to the PTE for Units B and C. Because Unit C is being removed from service, P2 is equal to the PTE for that unit. Decreases are proposed for the removal of Unit A, so the D term is 10 lb/day and 2 tpy.

NEI =
$$I + (PI - P2) - D$$

I = 20 lb/day, 4 tpy
P1 = 30 lb/day, 6 tpy
P2 = 15 lb/day, 3 tpy
D = 10 lb/day, 2 tpy

NEI = 25 lb/day, 5 tpy

BACT and offsets are not required for the new boiler (note: since NAR BACT is based on PTE on a per project basis, BACT is not required even though the NEI is 25 lb/day).

Calculating NEI from November 15, 1990 to Date of Rule Adoption

Question: When calculating NEI from the November 15, 1990 baseline date to the date of Rule adoption will the District calculate NEI sequential with each permit action and discard any resultant negative NEIs?

To calculate NEI at date of rule adoption, staff will sum all permitted increases and decreases in NEI from Nov. 5, 1990 to date of rule adoption. If the resulting NEI is negative, then the source's NEI we be set to zero. The negative value may not be banked. If the NEI is positive, then that is the value of the NEI as of that date. Subsequent permit actions after rule adoption will either be added or subtracted

from the NEI value as of the date of rule adoption. Decreases below zero may be banked.

Calculating NEI based on ATC or PTO date.

Question: After Rule adoption, is NEI calculated on the date of the issuance of the ATC or the PTO? The comment resulted from a concern that if the NEI is based on the PTO date the District could process a PTO for a decrease before a PTO for an increase thereby resulting in a negative NEI which would then be set to zero (unless entered into the source register) before the increase is added.

When the District issues an ATC for an emission increase, it is giving the stationary source the right to pollute by the amount listed on the ATC. However, when a source comes in for an emission decrease, the District cannot legally enforce that decrease until the PTO is issued. Therefore, to calculate the resultant NEI, the District will base it on the ATC date for an emission increase and the PTO date for an emission decrease. The table below provides an example of how the District will handle the concern stated in the comment.

Date	Action	NEI Balance
Beginning		2
1997	ATC1 +6	8
1998	ATC2 -4	8
1998.5	PTO2	- 4
1999	PTO1	4

Project, Clarification of the Definition

The term "project" is used to determine when a source must do a determination of best available control technology. Explain how project is used, what constitutes a project and provide examples.

The term "project" is used in Rule 802.C.1 (Requirements - Best Available Control Technology), the requirement for NAR BACT is based on the concept of a project. The term "project" is defined in Rule 801 as follows:

"Project" means any article, machine, equipment or contrivance belonging to the same emission unit at a stationary source and applied for in one or more applications for an Authority to Construct permit. Project shall not include any article, machine, equipment or contrivance described in any application for an Authority to Construct permit submitted more than 12 months after issuance of the Permit to Operate.

Emission Unit is defined in Rule 102 as follows:

"Emission Unit" means any identifiable piece of equipment or activity that is part of a stationary source which emits or would have the potential to emit any affected pollutant.

In other words, an emission unit is an aggregation of components dependent upon each other to perform a necessary function or activity. Typically, these activities are composed of production or process lines within the source (i.e., they are part of the source). Examples of an emission unit are (also see the discussion under *de minimis* for more examples): a cogeneration system; auto body spray booth (including associated prep/touch-up and solvent usage); non-metallic mineral processing line (crusher, furnace, calciner, classifier, packing); sulfur recovery train (amine unit, sulfur recovery unit, tail gas unit).

The term "project" was introduced to provide a more innovative way of addressing BACT in the New Source Review rule for modifications to existing sources. Under the current rules, once a facility exceeds the NEI threshold for BACT, then all subsequent applications, regardless of size, also require BACT review. This resulted in some uncertainty and additional level of effort on the part of the applicant and the APCD as to what BACT was for small emission increases. Indeed, often BACT for such small modifications was determined to be no stricter than RACT. With the change from an NEI-based BACT threshold to the 25 pound per day PTE-based BACT threshold, much of the prior problems with small emissions increases disappears. The term "project" is intended to provide more clarity for both the applicants and the APCD by focusing the review on emission units. The resulting change is that BACT review is no longer required for modifications to existing sources for projects with small emissions increases. The term project is not applicable to new sources.

It is important, therefore, to know how the definition of "project" is applied. Examples are provided below to illustrate the intent of the rule. Some generalities, however, can be made when assessing what constitutes a "project". These are:

- A project is typically composed of all the equipment listed in an Authority to Construct or Permit to Operate application whereas a modification to existing sources typically involves one emission unit at a time.
- All modified equipment that is part of the same emission unit is the same project.
- A project incorporates equipment using the broadest scope of activities.

 Projects are not intended to be individual components of a process but rather to include all components or units within the process or production line.
- Projects are not intended to be individual components of a process, but rather to include all such components or units within the broad scope of a single project.

- Modifications to a project prior to or during the SCDP are considered the same project as defined in the underlying ATC permit and supporting documentation.
- Any modifications to the affected emissions unit which occurs within 12 months of receiving a PTO for that emission unit are considered the same project.

Example #1:

An applicant at an existing facility wishes to add a new vapor degreaser; this addition is not associated with another project that received a PTO within the past 12 months. The "project" for this example would be the vapor degreaser. (If the application was associated with similar processes that were permitted within the past 12 months, then the "project" would include the prior project's emission units and the new vapor degreaser).

Example #2:

An operator for an existing oil and gas plant seeks a permit to add a bypass line for one of their gas production streams. The equipment involved includes the addition of a small number of piping components in hydrocarbon service. The facility-wide permit for the plant contains federally enforceable permit conditions regarding the implementation of an Inspection and Maintenance Program. The "project" for this example would include all piping components associated with installation of the new by-pass line. Since the facility-wide permit already ensures that the I&M Program is federally enforceable, a *de minimis* exemption via Rule 202.D.6 can be requested with the potential to emit based on controlled emission factors from implementation of the existing I&M program on the new piping components.

Example #3a:

An existing sand, rock and gravel plant seeks to add a new concrete recycling facility. The equipment includes: hoppers, screens, crushers, transfer belts, stacker belts and baghouses. The "project" for this example would be all the equipment comprising the new concrete recycling facility.

Example #3b:

As a follow on to the above example, two months after the Permit to Operate for the concrete recycling facility is issued, the operator submits a new ATC permit application to expand to capacity of the facility. The "project" for this example would include the original concrete recycling facility plus the new equipment associated with the expansion, as the application for the new equipment occurred within one year of the Permit to Operate issuance of the original project. (If the ATC application for the new equipment is submitted 3 years after issuance of the PTO permit, the "project" would be the new equipment only.)

Example #4:

An applicant seeks a permit for an exploratory oil and gas program. The equipment includes: drilling rig engines and associated service engines, temporary Baker tanks, separation vessels, flare, and piping components in hydrocarbon service. The "project" for this example would include all the equipment listed in the application because the aggregation of the listed equipment comprises an identifiable activity.

Example #5:

An existing non-metallic mineral processing plants seeks to add a new bag packing facility. The equipment includes: bag packing machines, hoppers, cyclones, bins, transfer belts and a baghouse. The "project" for this example would be all the equipment comprising the new bag packing facility.

Example #6:

An applicant seeks to install a new paint spray booth at an existing facility. The booth and its related solvent emissions constitute a new process at the facility. The "project" for this example includes the paint spray booth and the related solvent emissions.

Example #7:

An existing electronics manufacturing/assembly plant wishes to relocate a business unit from another company-owned site located outside Santa Barbara County. The new business unit utilizes solvent emitting equipment such as: degreasers, photoresist units, solvent work stations and a carbon adsorption unit. The equipment will be moved into an existing building alongside existing operations. The "project" for this example includes all the equipment utilized by the new business unit

Example #8:

An existing offshore oil and gas platform operator requests to add a new skid-mounted gas compressor system. The equipment involved includes a substantial number of components in hydrocarbon service (including the compressor, valves, flanges and vessels). No other changes are proposed by the applicant. The "project" for this example would be the new skid-mounted compressor unit and all associated components. (If the application was for a entirely new oil and gas platform, part of which includes a skid-mounted compressor unit and associated components, the "project" would, in that case, be the entire platform).

Rule 802

Approved SIP

Question: Sources may be subject to rules that are in the approved SIP even if those rules are not current district rules. If there are two versions of a rule, one SIP approved and submitted for inclusion in the SIP, which version of the rule does a facility have to comply with?

Rule 802 Section G.5 states "The control officer shall issue an Authority to Construct for major new stationary source or major modification to a stationary source, which is subject to this rule, only if all District Regulations contained in the State Implementation Plan submitted to the EPA are being carried out in accordance with that plan." However, EPA has authority to enforce the SIP approved version of a rule. Therefore, in cases where there are two versions of a rule, one approved into the SIP and the other submitted by the District to EPA awaiting approval into the SIP, sources must comply with both versions of the rule. Where the rules are in conflict, the source must comply with the most stringent provisions of both rules. EPA has been working with Santa Barbara APCD to prioritize EPA review of rules that have been submitted for SIP approval. This should help to minimize disparities between district rules and SIP approved rules.

Banked emission reductions vs. netting

Question: Do all emission reductions have to clear through the bank or can an operator use on-site emission reductions to meet emission reduction requirements?

This question is really one of netting. Can a source "net out" of emission offset requirements by using on-site emission reductions to reduce the net emission increase of a modification to below the emission threshold that triggers offsets? The answer is yes. However, be aware that for nonattainment pollutants the APCD uses the dual source definition. This means that for the modification, an operator cannot use on-site emission reductions to net out of an offset requirement. Such reductions may, however, be used as offsets at the offset trading ratio. For a new modification where the modification does not trigger nonattainment offset requirements by itself, but where the entire source may trigger offsets, and for attainment pollutant offset requirements, an operator can use on-site reductions to avoid offsets. See the later discussion in this section on the issue of netting.

Emission increases, grandfather provisions.

Question: For offsets, is any grandfathering proposed? For example, a source could have a net emission increase above 10 tons per year since 1990 which would not require offsetting under current rules. However, under the proposed rule any emission increase at such source would require the source offset the full 10 tons per year.

The source would be required to offset the full net emission increase.

Netting for nonattainment pollutants.

Question: Can a source net out of Best Available Control Technology for nonattainment pollutants?

No. Netting pertains only to new source review triggers that are based on net emission increase. Netting therefore cannot be used for nonattainment Best Available Control Technology because a trigger based on potential to emit is proposed for use as the Best Available Control Technology trigger for nonattainment pollutants.

Question: Can a source net out of offsets for nonattainment pollutants?

The dual source definition applies to the offset trigger for nonattainment pollutants. This is current APCD practice. Thus, the determination of whether offsets are triggered for nonattainment pollutants is a two step process. First, the net emission increase of a proposed modification is calculated. If the modification by itself triggers offsets, then offsets apply. If the modification by itself does not trigger offsets, then the net emission increase from the modification is added to net emission increase for the entire source. If the net emission increase for the entire source exceeds the offset trigger, then offsets are required. Netting is allowed on the calculation of source wide net emission increase. That is, creditable decreases at a source can be used to reduce the net emission increase resulting from a modification to avoid triggering emission offset requirements.

Question: Do the proposed rules allow a source to subtract the actual emissions of the equipment being replaced when calculating the NEI of the modification in the first step of the dual source calculation?

A source can subtract actual emissions (based on the definition of Actual Emission Reductions in Rule 102) of the equipment being replaced provided the new equipment is the same type as the old. For example, a boiler replacing a boiler, or an I.C. engine for an I.C. engine. Netting out is not allowed in the case of one emissions unit type 'x' replacing emission unit type 'y' under the guise they both perform the same function. For example a source would not be allowed to subtract emissions from a boiler if they were replacing it with a turbine even though both products produce steam. This is the only exception allowed under the dual source definition. As always, deductions are always allowed for all reductions in calculating the facility wide NEI.

Question: Would the APCD require a source with pre-rule-adoption NEI greater than the threshold to offset its NEI even when it applies for an emission decrease?

With the new lower offset trigger there may be sources that already have preexisting NEI's greater than the threshold that have never been mitigated through offsets. Any source in this situation will be required to offset the entire NEI at their next modification. However, sources are not required to offset their NEI if they apply for a modification that results in a decrease in emissions.

Examples of the replacement netting out policy follow (note in the following examples the replacement does not qualify for exemption under the "equivalent routine" exemption provided by Rule 202D.9).

Example 1

Given: 1990 NEI = 0 (source was all pre 1990)

Boiler X 15 tpy PTE, 10 tons actual

Boiler Y replacement boiler, 15 tpy PTE

Find: If offsets are required.

Solution:

First find NEI of Modification (Step 1)

Mod NEI = 15 - 10 = 5Offsets not triggered.

Next find Facility Wide NEI = I + (P1 - P2) - D (Step 2)

FW NEI = 15 + (0 - 0) - 10 = 5 tpy offsets not triggered

Example 2

Given:

Source's NEI before modification = 15 tpy (from equipment other than X & Y)

Boiler X Pre 1990, 12 tpy actual, 20 tpy of permitted emissions

Boiler Y replacement boiler, 11 tpy permitted emissions

Find: If offsets are required.

Solution:

First find NEI of Modification (Step 1)

11 - 12 = -1 toy.

Since the NEI of the modification is less than the Offset threshold no offsets are required by the modification half of the dual source definition.

Next find facility wide
$$NEI = I + (P1 - P2) - D$$
 (Step 2)

FW NEI =
$$11 + (15 - 0) - 12 = 14$$

14 tons is greater than the trigger level offsets are required, but since the modification itself was a decrease (-1 tpy), no offsets would be required.

Example 3

Given: NEI = 20 tons per year (from equipment other than X & Y)

Boiler X Pre 1990, 15 tpy PTE, 6 tpy actual emissions

Boiler Y replacement, 15 tpy PTE

Find: If offsets are required.

Solution:

Modification NEI (Step 1)

NEI Mod = 15 - 6 = 9 Offsets not triggered

Facility Wide NEI = I + (P1 - P2) - D (Step 2)

15 + (20 - 0) - 6 = 29 Offsets Triggered 29 tons must be offset

Offset Liability.

Question: If a source triggers offsets, does it have to offset just the amount of the net emission increase above 10 tons per year, or the full net emission increase?

The source must offset the full net emission increase. However, a source must only provide offsets for increases that have not already been offset. If source with a 12 tpy NEI proposes a project that would result in an additional 2 tpy NEI, the source must offset all NEI that has not already been offset. Thus if a source has already offset the 12 tpy NEI, they must now offset the additional 2 tpy.

Determining Offset Ratios

Question: When measuring the distance from the source supplying offsets to the source using offsets to determine offset ratios, will the APCD measure between emission units or stationary source boundaries?

When determining if the location of offsets is within 7.5 miles of the location of the ATC source as specified in Rule 802 Table 4, the distance is determined by measuring between the two stationary source boundaries.

Rule 803

Netting for Attainment Pollutants

Question: Can a source net out of Best Available Control Technology and emission offsets for attainment pollutants?

Yes. New source review requirements for attainment pollutants are triggered based on emission increases at the entire stationary source and creditable emission decreases at the source can be used to reduce the source's net emission increase for the purpose of avoiding Best Available Control Technology and emission offsets.

Rule 804

Relationship between emission offset requirements and emission reduction credits

Question: Do all emission reductions used to comply with offset requirements have to be certified as emission reduction credits pursuant to Rule 806.

Yes.

Third Party Beneficiary

Issue: Clarify the meaning of Section D.8.b which allows the use of a contract with the APCD as a third party beneficiary for sources which are otherwise exempt from permit.

This section meets federal regulations by requiring emission reductions to be used as ERC's to be enforceable by the APCD. In the case where a source is exempt by statute, such as agricultural internal combustion engines, a source would be required to enter into a contract with the new source operator or owner which designates APCD a third party beneficiary and allows the APCD to enforce the emission reductions. If a source is exempt from permit requirements pursuant to Rule 202 and the source wishes to obtain emission reduction credits by controlling emissions at the source, the source would be required to get a permit for the units to be controlled. For example, if a source proposed to install catalysts on several 20 horse-power engines to get emission reduction credits, the source would be required

to obtain permits for the engines being controlled. The third party beneficiary provision would allow the APCD to enforce conditions ensuring that the emission reductions are real.

Rule 806

Discounting Emission Reduction Credits by Reasonably Available Control Technology

Question: How will the RACT discount of ERCs be applied?

EPA requires ERCs to be discounted by reasonably available control technology (RACT) at the time of use. RACT discounting of ERCs accounts for any advances in emission control techniques and ensures that emission reductions are consistent with APCD prohibitory rules and control measures relied upon in the clean air plan. To comply with this requirement, the District will apply the RACT discount to ERCs as they are entered into the source register and, if RACT changes between the date the ERCs were deposited and the date used, again before the ERCs are used to reflect any change in the amount of the RACT discount. This allows the value of ERCs in the source register to reflect close to their actual value instead of an inflated value that has yet to be reduced by applicable RACT discounts. In the event that an applicable RACT requirement is relaxed, the ERCs will be adjusted accordingly at the time of use.

Post-1990, pre-Rule 806 adoption, emission reduction credits

Question: Can a source use bank post-1990, pre-rule adoption emission reduction credits?

No. To qualify as an emission reduction credit, an application must be submitted to the APCD and found to be complete before the emission reductions take effect (see Rule 806.D.3). This provision is essential to assuring that the ERCs meet the core requirements for banking (that is, that the ERCs are surplus, quantifiable, enforceable, and permanent.)

Pre-1990 emission reduction credits

Question: Can a source use bank pre-1990 emission reduction credits?

The source can use the credits only if the credits were specifically identified as a credit (growth allowance) in the 1994 Clean Air Plan, comply with Rule 804, and meet the requirements of the old banking agreement. To be banked, the emission reductions must also comply with Rule 806.

Status of emission reduction credits after use

Question: Can a banked emission reduction credit be returned to the bank at its full value?

Once a banked emission credit is put into use in order to meet an emission offset requirement, the emission reduction credit is retired from the bank. Should the source that is using the credit find it no longer needs the credit, say for example the source shuts down an emission unit, the operator must submit an application for an entirely new emission reduction credit, and the source of the reductions, in this example the shutdown of an emission unit, must qualify the reductions as emission reduction credits in accordance with the provisions of Rule 806.

Value of shutdown credits for petroleum extraction activities.

Question: Can sources in the petroleum production industry be shut-down and the emissions banked?

Yes, sources in the petroleum production industry can be banked. However, in accordance with Rule 806, and U.S. Environmental Protection Agency policy, the reductions must be permanent and surplus to the Clean Air Plan

9. Public Review

9.1 Public Participation

Workshops

The proposed revisions were publicly noticed in May of 1995 and four workshops were held in late May. Two in Santa Maria, and two in Goleta. In addition, staff held numerous meetings with industry groups and representatives and with environmental organizations. Numerous changes were made to the rules in response to public input received to date (please refer to Section 9.2).

Community Advisory Council

To facilitate the participation of the industry and the public in the development of the APCD's regulatory program, the APCD created the Community Advisory Council (CAC). The CAC is comprised of representatives appointed by the APCD's Board of Directors. Currently there are 22 members on the CAC. Its charter is, among other things, to review proposed changes to the APCD's Rules and Regulations and make recommendations to the Board of Directors on these changes.

Over the last two years, the APCD's Community Advisory Council (CAC), which meets monthly, has met 23 times on the proposed revisions to Regulation II and VIII. The CAC also established a subcommittee to facilitate its review, and the subcommittee met an additional 10 times.

Out of these meetings the CAC identified over 100 issues where the CAC expressed some type of concern with the proposed regulations. Staff and the CAC have been able to come to agreement on all except two issues. These issues are given below:

- 1. The CAC recommended that the exemption for drill rigs be reinstated, and that the exemption be reevaluated once the state's portable equipment regulation is adopted (scheduled for March 27, 1997).
- 2. Staff disagrees and believes that drill rigs are a significant source of pollution and should be regulated either by the state's registration program or by APCD permit (sources have the option of registering with the state or complying with local district permit requirements).
- 3. The CAC recommended that new rule text at 201.D.2 be deleted. Text at 201.D.2 would subject dredges, pile driving equipment, pipe-laying barges, and derrick barges to permit. Similar to the concern above, the CAC concluded that it wanted to wait for the state's portable equipment registration program to be adopted before taking any action on the dredges, barges and pile driving equipment. The state subsequently approved the state's portable equipment registration regulation on March 27, 1997 and sources operating in state or federal waters are not eligible for registration. Staff recommends

that this equipment be subject to permit and new source review because dredges, pipeline barges and pile driving equipment can be substantial emission sources for example, the 26,000 horsepower pipe-laying barge, "Lorelay" emitted 42 tons of Nox in six weeks of operation.

9.2 Rule Changes

In response to comments received on the draft rules, staff made numerous revisions to the proposed rule revisions. A listing of some of the more salient changes are provided below.

Rule 102

- The maximum emission for classification as a "small source" was raised from a 2.5 ton/year aggregate of ROC, NOx, PM₁₀ to 5 tons/year of each of the following: ROCs, NOx, PM₁₀, TSP, SOx, and 25 tons/year for CO.
- The maximum emission for classification as a "medium source" was raised from a 10 ton/year aggregate of ROC, NOx, PM₁₀ to 10 tons/year of each of the following: ROCs, NOx, PM₁₀, TSP, SOx, and 25 tons/year for CO.
- The definition of "replacement" was eliminated.
- The phrase "abandonment, removal, demolition was deleted from the definition of
 construction. This was done because the District can no longer require offsets from
 deconstruction activities. However, sources involved in demolition activities may be
 subject to APCD permit or statewide portable equipment registration

Rule 201

- Portable Equipment was exempted from the anti-sham-permit provision (201.J).
- Text limiting the APCO's ability to issue a combined Authority to Construct and Permit to Operate to small sources (E.3) was changed allowing this provision to be used by any size source.
- Text which requires that permitted equipment be at all time at site specified in the source's permit (J) was eliminated.

Rule 202

• The draft regulation presented at workshops in 1994 was absent the list of over sixty Rule 202 exemptions for miscel aneous pieces of process equipment. The District's rationale at the time was to make the exemption rule consistent with the CAPCOA

model rule language, which contained no such exemptions. Additionally, EPA had voiced objection over the 150 lb/day (>27 tpy) limit for each such exemption. Based on vigorous objection from industry, the entire list was reinstated. Subsequent input from industry resulted in the reorganization of miscellaneous sections of the rule into fifteen categories of similar equipment:

- H. Abrasive Blast Equipment
- I. Coatings Application Equipment and Operations
- J. Drycleaning and Fabric Related Equipment and Operations
- K. Food Processing and Preparation Equipment
- L. General Utility Equipment and Operations
- M. Glass, Ceramic, Metallurgical Processing and Fabrication Equipment and Operations
- N. Laboratory Equipment and Operations
- O. Material Working and Handling Equipment and Operations
- P. Miscellaneous Equipment and Operations
- Q. Mixing, Blending and Packaging Equipment and Operations
- R. Plastics, Composite and Rubber Processing Equipment and Operations
- S. Printing and Reproduction Equipment and Operations
- T. Semiconductor and Electronics Manufacturing Equipment and Operations
- U. Solvent Application Equipment and Operations
- V. Storage and Transfer Equipment and Operations

The aggregate emission limits for each category may be aggregated in terms of actual emissions with recordkeeping requirements or in terms of Potential to Emit with no usage records required.

- The 1994 draft also proposed to eliminate the construction exemption of existing Rule 202.C.3 to be consistent with CAPCOA guidance. The construction exemption was also reinstated based on public input.
- The 1994 draft proposed to reduce the boiler exemption from 5 to 2 MMBtu/hr based on CAPCOA guidance. The 5 MMBtu/hr limit has been reinstated, subject to a 25 ton per year aggregate (excluding small equipment <1 million Btu/hr) (see 202.G).
- The exemptions for equivalent replacements and identical replacements were returned to the rule. In order to address EPA concerns, a requirement that replacements must be routine was added.
- A list of many new exemptions specifically requested by industry has been evaluated and added to proposed Rule 202
- Exemptions have been added for fuel cells and for seasonal events such as fairs and airshows.
- The emission baseline for modification de minimis (D 6.b) has been changed from 1988 to 1990 to be consistent with the Clean Air Plan.

- Language in D.6. was modified to clarify that the exemption applies to the de minimis physical change and not the entire source.
- The exemption in F.1.d for emergency generators has been reinstated to 200 hours.
- The tank capacity on the diesel tank exemption has been eliminated (V.2).
- An exemption has been added for fire training/prevention activities (P.11).
- New section D.12 has been added to clarify when the relocation of a emission unit within a source is exempt from permit.

Rule 208

• The consolidation of authority to construct/permit to operate, a permit streamlining measure in proposed Rule 208, has been expanded, at industry request, to apply to small modifications of existing sources as well as to new sources as originally mandated.

Rule 801

- The definition of Net Emission Increase was expanded to provide greater clarity.
- At the suggestion of the Community Advisory Council, we have deleted the term local air quality standards from the definition of ambient air quality standards because Santa Barbara does not have any local ambient air quality standards. If the APCD Board chooses to adopt any local ambient air quality standards in the future, this definition can be revised at that time.
- We have revised the definition of "Project" to clarify what will be included in determining if a modified source exceeds the BACT threshold. The definition used in the March draft of the proposed rules relied upon the definition of common operations in the stationary source definition. This would have included all operations at the stationary source which was not the intent. This helps to relieve the source of the required to make a BACT determination for small projects for which BACT is typically determined to be the same as Reasonably Available Control Technology.

Rule 802

- The Best Available Control Technology threshold for nonattainment pollutants was changed from source Net Emission Increase to the potential to emit of the project (C).
- Text requiring air quality impact analysis for ozone precursors (D) has been deleted.
- The offset ratios have been modified to address concerns expressed by industry and identified in the EIR. The new offset ratios include a 1.2 to 1 ratio for sources within

7.5 miles, 1.5 to 1 for trades within the same zone (north and south zones), 6 to 1 for trades between north and south zones except that no trades will be allowed between the Cuyama area and the south zone, and 6 to 1 for contemporaneous emission reductions procured from the adjacent areas of Ventura County including the Oxnard coastal plane to offset a project in the south zone.

Rule 803

- Submittal of permit evaluations to CARB and USEPA was eliminated for projects that net out of review and projects that are less than 10 kilometers from a Class I area.
- Prevention of Significant Deterioration offset ratios were reduced from between 1.5:1 and 3:1 to 1.2:1 (E.2)

Rule 806

- Discounts for emission reduction credits previously recognized by the District (806.D.7) were eliminated.
- The BACT discount for offsets was changed such that only emissions reduction credits from equipment that has not been controlled by Reasonably Available Control Technology are discounted by BACT.
- The offset discount for the community bank was deleted at recommendation of the Community Advisory Council.
- Text allowing the APCO to put a moratorium on the banking of emission reduction credits (K) has been changed to a moratorium on the use of emission reduction credits.

Rule 807

Rule 807, Community Emission Bank, was deleted pursuant to a recommendation from the Community Advisory Council.

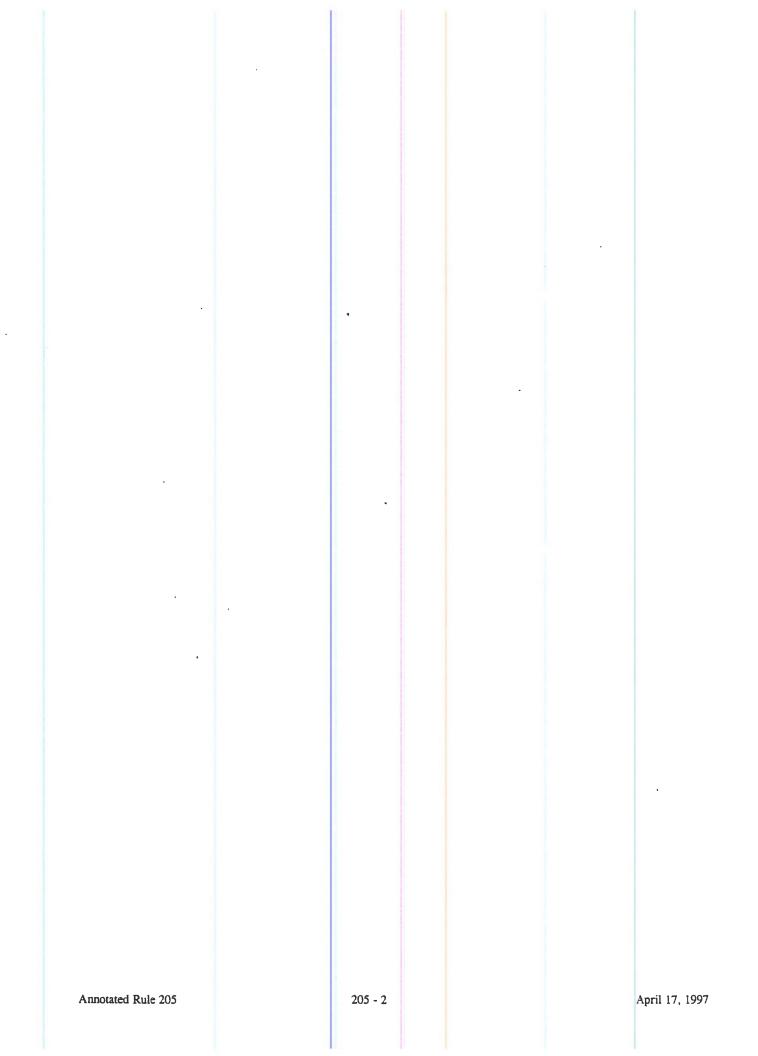
9.3 Public Comment

Staff received extensive comment on draft rules that were released during March of 1996, and provided written responses to these comments. The comments and responses are available from the APCD. Comments received during the formal 35 day public comment period preceding the Board adoption hearing on the proposed rule changes, and staff's response to these comments, will be presented to the APCD Board of Directors as part of the rule adoption process.

10. California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA) requires that projects that may significantly affect the quality of the environment be analyzed and disclosed in an environmental impact report so that significant adverse effects may be reduced or eliminated. It is the responsibility of the "lead agency" of such a project to do the analysis or to establish the basis for a finding that such an analysis need not be done. In this case, Santa Barbara APCD is the lead agency.

The APCD prepared an Environmental Impacts (EIR) report on the proposed rule revision because the initial study disclosed a potential for a significant adverse impact. The EIR uncovered one potential Class II impact (significant but avoidable with suitable mitigation): the proposed replacement of hourly triggers for Air Quality Impact Analysis with daily triggers could allow a source to cause a violation of the an ambient air quality standard. Revised language implementing the mitigation has been added to the proposed rule text.





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March 13, 1997

Santa Barbara County
AIR POLLUTION CONTROL DISTRICT
26 Castilian Drive
Goleta, CA 93117

Attention:

Mr. Terry Dressler, Regulatory Compliance Division Manager

Subject: Proposed revisions to December 1996 draft of Rule 102, and Regulations II and VIII

Dear Terry:

In 1994 and 1995, SBRC commented on the rule changes proposed by District staff to update and streamline the District permitting program. Recently District staff issued a draft Staff Report (December 1996) with a significantly revised program for updating the subject rules. SBRC is very pleased with the concepts and structure of these proposed rules—they reflect the cooperative effort of the District, industry and the community to develop a more equitable and effective permitting program.

We appreciate that the majority of the issues we previously had raised were adequately addressed. However, there are a few remaining areas which were not previously resolved, including a couple which could impact SBRC's ability to efficiently manage change and retain the flexibility needed to compete effectively in the market place. These issues are addressed in the first attachment to this letter.

There are also a number of other changes which SBRC believes are appropriate, in that they would clarify important policies, reduce ambiguities and, in one or two places, correct minor errors that we believe could have significant consequences if left unchanged. They are addressed in the second attachment to this letter.

SBRC is mindful of the schedule under which you are working. We believe these changes should not create any substantial delay and, in general, should not be controversial. Nevertheless, they are important to an industry such as ours, where operations are subject to frequent change in a very dynamic market. We very much appreciate your responsiveness to these remaining issues.

Santa Barbara County Page 2 March 13, 1997

If you have any questions, please contact me directly at 562-4152 or Walter Mook of CH2M HILL at 714/429-2020, extension 2362, who has been assisting us in this review.

Sincerely,

SANTA BARBARA RESEARCH CENTER

Michael A. Weitz

Safety, Health and Environmental Affairs

Michael a. With

c: Mr. Larry Rennaker, Rules Supervisor/APCD

Ms. Bette Easton, Air Quality Engineer III

Mr. Tim Magness/SBRC

Mr. Walter Mook/CH2M HILL

ATTACHMENTI

Comments and Recommendations: Proposed Rules 102, Regulations II and VIII.

SBRC recommendations regarding the subject rules, based on the December 1996 draft:

Rule 202. EXEMPTIONS TO RULE 201.

Section D.6. De minimis Exemption, subparagraph C. states "The physical change does not involve any article, machine, equipment or contrivance used to eliminate or reduce or control the issuance of air contaminants." The inference is that the equipment being changed could be exempted if there are no changes required to the pollution control aspects of the system. If that is the correct interpretation, SBRC requests that the term "involve" be replaced with "require a change to". SBRC previously commented on this issue, noting that "the language of subparagraph C., could be interpreted to prohibit any de minimis exemptions if the equipment being modified is connected to a pollution control system. SBRC believes this language might inadvertently complicate very modest changes." (Letter of August 7, 1995). The Districts' response confirmed our concerns, implying that any change, regardless of how small, would require a permit due to the need to "assess the effectiveness of control equipment". SBRC believes this change to existing policy, rather than streamlining the process, would substantially increase costs and complexity of permitting, without corresponding benefit. SBRC believes our proposed language is appropriate to clarify that small changes which do not affect the capabilities of the control system are not subject to permit. If our interpretation is incorrect, and the District means permits are required only when a change to the control system is appropriate, then we need an expanded explanation of the term "involve", to avoid misunderstandings.

1-1

RULE 202.D.8. and D.9. These paragraphs describe exemptions related to "routine repair and maintenance" and "equivalent routine replacements", and impose a requirement to "notify the APCD within 30 days of an equivalent routine replacement unless the replacement is identical as to make and model, and routine...". SBRC believes the term "routine" should be defined in Rule 102, and requests that the reporting requirement be modified by adding "Any change otherwise meeting the requirements of Rule 202.D.6. (De minimis Exemption) is exempt from the reporting requirement stated above". SBRC's concern with the reporting requirement stems from the fact that we have many individual pieces of emitting equipment which are too customized to be replaced with standard models, and our environmental program is not managed at the individual piece of equipment level. To implement such a program for small table-top equipment items would impose costs without corresponding benefit. We believe the additional reference to the de minimis section could adequately meet the District and EPA needs.

1-2

RULE 204 APPLICATIONS. Section E.3. of this rule prescribes requirements for Best

Available Control Technology, and Section E.3.a.7 mandates that sources must
comply with two emission limits (e.g. pounds per day and parts per million). While

1-3

the idea is appropriate in some cases, it is unrealistic in others, and we have experienced instances where the permitting staff have required such limits solely because it is in the rule, even when the requirement was simply two ways of stating one controlling requirement. SBRC recommended (see also our letter of August 7, 1995) that the rule read "Emission limits shall be expressed in terms of an emission cap and, where appropriate, by additional terms such as concentrations which assure compliance at any operating capacity. Where the variables are independent of each other, sources must comply with both limits to demonstrate compliance." Our recommended language is consistent with the Districts response (Draft Staff Report, March 1996) in which you wrote "We do agree that, on a case-by- case basis, there may be situations where only one limit is necessary".

1-3

RULE 205. STANDARDS FOR GRANTING PERMITS. Paragraph D. of this rule reiterates the dual emission limit concept discussed above, although, the paragraph does include the phrase "where applicable", which is consistent with our recommended language. Our concern with this paragraph is that we believe "pounds per day" rather than "pounds per hour", is appropriate, in order to be consistent with the balance of these rules. One additional minor point, the phrase "permit reevaluation" is included in this paragraph. SBRC believes the phrase should be defined, if it is to be referenced within the rule, or deleted.

1-4

RULE 801. NEW SOURCE REVIEW: Section C Definitions. "Project" is defined in this rule as "any article, machine, equipment or contrivance belonging to the same emission unit at a stationary source and applied for in one or more applications for an Authority to Construct permit. Project shall not include any article, machine, equipment or contrivance described in any application for an Authority to Construct permit submitted more than 12 months after issuance of the Permit to Operate."

SBRC is very supportive of this concept, but believes the definition contains an ambiguity when applied to the second or subsequent modification within an emission unit. We recommend the second sentence of the definition be revised to read "Project shall not include any article, machine, equipment or contrivance described in any previous application for an Authority to Construct permit, if the new application for an Authority to Construct is submitted more than 12 months after the issuance of the Permit to Operate related to the previous project."

1-5

Our suggested wording is consistent with the examples in your staff report, and eliminates the ambiguity which could surface whenever a second modification related to the same emission unit is subject to permit.

A second issue of concern to SBRC is the use of the PTO issuance date to "start the 12 month clock". Staff advises us that the regulations require the issuance of a PTO within 60 days for a medium source, hence there should be no concern with the use of the PTO issuance date. However, SBRC could not determine a projects' status from the regulatory language (e.g. Rule 208.F) if the District does not act within 60 days. Accordingly SBRC believes that District determination of the completeness of the Application for the Permit to Operate would likely be a more certain date, and should be referenced in Rule 801.

RULE 801. New Source Review. Section D.3. Certification

Section D.3. requires a certification for any Authority to Construct, regardless of the size of the source or the modification, to the effect that all major sources statewide, and all sources, basin-wide, are in compliance, where sources are under the control of an entity which also controls the source seeking the permit. SBRC seeks assurance that this certification requirement is limited to only those sources clearly required to do so by federal and State regulations. Our reading of the Federal Clean Air Act indicates that this information is required of sources subject to permits under section 172 (b)(6), i.e. major stationary sources, and Health & Safety Code Section 42331 focuses on the compliance history of the applicant's facilities within the District. Thus, non major sources are subject only to the State requirement, and, particularly important to us, the compliance status relates only to sources controlled by SBRC and not to sources controlled by the corporation to which SBRC is a subsidiary (e.g. Hughes Aircraft Company and General Motors). SBRC commented previously on this issue (see letter of August 7, 1995), asking that the certification be limited to those facilities clearly subject to such a requirement. The District response did not address our concerns and it appears that the CAC subcommittee missed the difference in applicability between the Federal and State requirements.

ATTACHMENT 2

SBRC requested changes: clarifications and corrections, District proposed revisions: Rule 102, Regulations II and VIII.

Rule 102 Definitions:

"Affected Pollutants". SBRC suggests the last sentence in this definition include the word "air" so that the sentence reads: "Also, all of the <u>air</u> pollutants which the EPA after notice . . .". This clarification makes the sentence consistent with the rest of the definition and assures that "affected pollutants" as used in this rule does not imply control over any other media.

"Stationary Source". SBRC previously commented that the definition of stationary source had been changed from the language of the existing rule; the change appears to be a typographical error. We recommend corrective language which would define "Building, structure or facility" to read "includes all pollutant-emitting activities including those located in California coastal waters. . . ". Adding back in the underlined words restores the language of the existing rule. If one reads the draft rule as presently structured, the entire concept of "common operations," etc. would no longer be applicable to SBRC, as our source would only be an "installation", since we would no longer fit within the definition of "Building, structure or facility". SBRC also assumes the two words which were dropped to be a typographical error, since this deletion was not lined through.

Rule 201, PERMITS REOUIRED.

Section C, "Definitions" incorporates a new term "Erect". This definition is somewhat narrower than the common engineering definition (e.g. construction, assemblage of parts on-site etc.) because it is limited to equipment which "can be moved from one location to another". While SBRC has no objection to having a definition for rule purposes, we recommend that the explanatory note printed in the draft rule be incorporated into the definition, if the District means to significantly restrict the definition. Alternatively, an improved definition might be in order, such as "the setting up, installing or assemblage of equipment in a fixed location from equipment components which can be manufactured or assembled off-site, but which can only function at a fixed location because of the need for electrical power, pneumatic systems, cooling water, air conditioning, or similar utility services."

RULE 202 E. Compliance with Rule changes.

This section requires the submittal of applications within 90 days of rule adoption for permits required due to the loss of exemption. SBRC previously requested the limit be set at not less than 180 days, but the District's response was 90 days is "more than adequate". Performing an emissions assessment for previously exempt equipment and preparing a permit application may prove to be expensive and time-

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consuming. This may be of particular concern in cases where there were no previous requirements to estimate emissions from particular categories of equipment. If SBRC were to be subjected to this requirement, completion of the task in less than 90 days would require the reallocation of resources from other tasks, impacting other priorities and schedules. Alternatively, we would be required to utilize outside resources, with the attendant costs. Short deadlines with limited flexibility increase compliance costs. Hence we believe some relief from the 90 day limit would be appropriate for smaller and mid-sized industries.

RULE 202. EXEMPTIONS TO RULE 201. - INTERNAL COMBUSTION ENGINES

Section F.4. is a new exemption for engines for special events of a duration less than 18 days in any calendar year. The language of the rule limits the exemption to aircraft shows and amusement rides. SBRC believes the rule could have been more equitably written to allow the exemption at any special event, fair, revival, carnival etc. by inserting a comma after the word "rides."

RULE 204 APPLICATIONS

Section E. "Requirements" identifies where information on health risk assessments is located (see Rule 204.E.1.b.) and the elements of HRA's (see Rule 204.E.6), but there is no regulatory tie to any requirement for an applicant to consider risks as an element of permitting. Staff have indicated that the District will identify where such analyses are required, in discussions with applicants. This approach is inconsistent with the concepts expressed in most other District rules. SBRC believes a statement should be added to Rule 205 "Standards for Granting permits", to the effect that "where toxic air contaminants are involved, the Control Officer may require an analysis of the associated health risk as required by federal and/or State requirements."

RULE 208 ACTIONS ON APPLICATIONS - TIME LIMITS.

Section E.3. and E.4. state that the District will act on applications for ATC's within specified time limits of, for example, 90 days after the date an application for an ATC is deemed complete, or 90 days after lead agency approval, whichever period is longer. SBRC believes the regulatory limit should be "whichever occurs later," since both time periods are the same length.

Rule 801. New Source Review

Section E.2. describes the requirements for issuance of a PTO. Without changing the substantive requirements, the language of this section could be written in positive terms, acknowledging that an applicant who obtains an ATC, and makes the investment in the facility should, upon completing the SCDP, be granted a permit. By changing the opening sentence from "shall not . . . unless "to read "The Control Office shall issue a Permit to Operate providing it is determined that . . ." this section becomes consistent with Rule 802.G.3 and Rule 803.K.12.

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Rule 802. Nonattainment Review and Rule 803 Prevention of Significant Deterioration.

Section G.2. of Rule 802 and Section K.11. of Rule 803 require that sources be operated in the manner "assumed in making the analysis." This language was previously in proposed rule 801 and we commented on the issue in our August 7, 1995 letter. The District made the change in Rule 801.E. as we requested and now that rule reads "... the source will be operated consistent with the application, supplements and clarifications provided by the applicant, and engineering evaluation used ..." SBRC requests that similar language be incorporated in Rule 802.G.2. and in Rule 803.K.11. to clarify that assumptions made by the District, but not documented, are not elements of the permit.

1-14

Rule 806. Emission Reduction Credits. Section E.1.(Discounts)

SBRC previously commented on the discounting of ERC's related to shutdowns or reductions in throughput. Our objection is to the inequitable treatment of emission reductions and our comments in our August 7, 1995 letter were based on the view that market based transactions without intervention by the District would be more appropriate. SBRC is unaware of any actions at the state level supporting the discounting of specific categories beyond the BACT level. The District response to our previous comment only reinforced our concerns. Shutdowns which do not meet EPA's criteria should be disqualified as ERC's rather than discounting all shutdown credits. The purchase of qualified shutdown credits should not be inhibited, and it seems the District needs to establish qualification criteria to meet EPA's requirements. This would also avoid the inequities which the proposed rule appears to create.

The Air Resources Board Staff Comments on Santa Barbara County Air Pollution Control District Proposed Rules Scheduled for Adoption on April 17, 1997

1. Rule 802. Nonattainment Review Section E. Requirements - Emission Offsets: This section specifies net emissions increases of any nonattainment pollutants or its precursors which is equal to or greater than any emission level shown in Table 3 shall mitigate those net emission increases through actual emission reductions by reducing emissions from existing stationary or non-stationary sources. It is our understanding, this provision is intended to satisfy the no net increase permitting program requirement of H&SC § 40918 (a). The Air Resources Board (ARB) interprets this statute to mean any new or modified stationary source with a potential to emit equal to or greater than 25 tons per year of nonattainment pollutants or their precursors is subject to the no net increase requirement. Since this section is not based on potential to emit, it does not satisfy the no net increase in emissions permitting program requirement of H&SC § 40918 (a).

Neither the District's staff report nor the proposed rule demonstrate that its proposed net emissions increase methodology is equivalent to the statutory no net increase requirement of H&SC § 40918 (a). We recommend that either the District amend this section to base the applicability of this section's offset requirement on the potential to emit of any new or modified stationary source, equal to or exceeding the statutory threshold specified in H&SC § 40918 (a) or provide a demonstration that the net emissions increase methodology meets the H&SC § 40918 (a) requirements.

This issue was discussed with the District staff in a conference call on April 2, 1997. ARB and the District staff agree that H&SC § 40918 (a) allows several approaches to satisfying the no net increase permitting program requirement. However, the District would have to demonstrate, before implementing this new approach, that its alternate permitting program will satisfy State laws and regulations on a continual basis

We offer our assistance to the District in developing a program that satisfies your needs and State laws and regulations. At a minimum, the District should incorporate language in its proposed rules, or the Board Resolution, that specifies the methodology that will be used to demonstrate that all emission increases that occur at stationary sources subject to H&SC § 40918 (a) are mitigated before allowing those increases to occur. The District should also set up a tracking and reporting system to monitor the effectiveness of the program and report to its Board and the ARB annually.

2. Rule 802. Nonattainment Review Section C. Requirements Best Available Control Technology: This section requires BACT to be applied when the potential to emit of a

new or modified stationary source exceeds specified threshold levels. This section defines the potential to emit for an existing stationary source as the potential to emit of a project. Although it is not the District's intent, we are concerned that a project as defined in Rule 801 could allow an applicant to sum decreases and increases from previous activities that occurred within 12 months from the current authority to construct (A/C) application when determining BACT applicability.

As discussed with the District staff in a conference call on April 2,1997, the ability to sum decreases with increases over any period does not comply with your District's statutory BACT requirement of (H&SC § 40918 (a)). The District staff recognized that the rule language could be misinterpreted. To ensure that this section complies with the District's statutory BACT requirement, the definition of project in Rule 801 should be amended to specify that only increases in permitted emissions are summed over the 12-month period.

- 3. Rule 802. Nonattainment Review Section C. Requirements Best Available Control Technology: It was also discovered in our conference call on April 2, 1997, that the proposed language in this section only required BACT if the threshold in Table 1 was exceeded. A minor point, but a statutory requirement, H&SC § 40918 (a) requires BACT when the potential to emit for any new or modified "stationary source" which has a potential to emit any nonattainment pollutant or its precursors equal to or exceeding 25 pounds per day. The District staff indicated this oversight will be changed.
- 4. Rule 801. New Source Review Section C. Definition of Net Emissions Increase: This definition allows an applicant to sum increases and decreases (a netting process) from permitted levels at the source since November 15, 1990 when determining the net emissions increase for that stationary source pursuant to the formula in this rule and in accordance with the provisions in Rule 802, Nonattainment Review, section F and Rule 803, Prevention of Significant Deterioration, section J. It appears that this method would allow paper credits to mitigate actual increases in emissions. The District staff indicated that is not the intent of the rule. We recommend, the formula proposed in this section be modified to eliminate the use of decreases in permitted emissions to offset increases in permitted emissions.
- 5. Rule 202. Exemptions to Rule 201 Subsection U (2)(b) exempts single pieces of degreesing equipment using unheated organic solvents with initial boiling point of 150 degrees Celsius or greater from provisions of the rule. We are concerned that there is no reference test method for the determination of initial boiling points of organic solvents. To ensure enforceability of this section of the rule we recommend referencing a test method for determining initial boiling points for organic solvents.
- 6. Rule 202. Exemptions to Rule 201 Subsection V (2) exempts refined fuel oils with API gravity of 40 degrees or lower from provisions of the rule. The rule does not reference a

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7. Rule 202. Exemptions to Rule 201 Subsection F (1)(d): Piston-type internal combustion engines used exclusively for emergency. This subsection limits the operation of an emergency engine to 200 hours per calendar year. This 200 hours includes both engine maintenance and actual emergency operations. Some engines used in fire fighting and emergency water pumping have regulatory maintenance requirements which may be up to 50 hours in any calendar year. This leaves only 150 hours for real emergencies. Under such condition, this rule in its current version will not allow emergencies to exceed 150 hours. To improve the clarity of this rule and to avoid any misuse of the emergency provisions, we suggest that the District modify the rule. The rule could be modified to limit the engine maintenance operations to 60 hours per calendar year without placing any limit on actual emergency operation. This rule should also include a definition of emergency. In this case the operation during an emergency will not be limited since nobody has control over an emergency.

U.S. EPA Comments on Santa Barbara APCD Draft Rules 102, Regulation II - Permits, and Regulation VIII - New Source Review April 17, 1997 Version

Rule 102 - Definitions

1. Contemporaneous: The District regulations must contain a definition of contemporaneous since it is part of a requirement for determining emission reductions in Rule 804.D.3.

3-1

Rule 201 - Permits Required

1. Rule 201 (D) contains the following language: "An Authority to Construct issued to a source shall remain in effect until the Permit to Operate the equipment for which the application was filed is granted or denied or the application expires." Although this language was approved in the original SIP, the language is problematic because it allows the ATC - and all terms and conditions within - to expire when the permit to operate is issued, denied or the application expires.

3-2

In order to assure that relevant conditions of the Authority to Construct remain active for the life of the permit, we recommend including the following language: Upon expiration of an Authority to Construct permit, all terms and conditions of the Authority to Construct permit shall be transferred to Permits to Operate. If the APCO determines, after a source performance test or equipment shakedown that the conditions in an ATC do not accurately reflect actual operating conditions, the APCO shall evaluate the significance of the change and, if necessary, require the source to submit an new or revised AQIA (either in rule 803 - PSD; or in 802 Non-Attainment) and shall issue a new or revised public notice. In determining the significance of the change the APCO shall evaluate the difference in emissions, public interest in the project, and other operating parameters that may differ between the old ATC conditions and the PTO conditions.

Rule 202 - Exemptions to 201

1. Section D. General Provisions: Because of the large number of equipment categories in each of the sections (U thru V), each of which may contain equipment with exempted emissions totaling from 10 to 25 tons per year, EPA is concerned that a source could conceivably accumulate a very large amount of emissions from exempted activities. EPA recommends that the District add an overall gatekeeper that would apply to aggregated emissions from all of the equipment categories.

2. Section D.6. De minimis Exemption: This section states that in order for a physical change at a source to qualify as de minimis, it must meet certain requirements and that any emissions increases must be based on potential to emit and cannot be reduced by emission reductions from removal or control of any components. The rule should state that emission increases shall be based on the uncontrolled potential to emit making it clear that a source cannot become de minimis by adding emission controls.

3-4

Rule 801 - New Source Review

1. Section C. Definitions "Net Emissions Increase": The District definition conflicts with federal regulations because, in the case of a source modification, it bases the net emissions increase on the changes (increases and decreases) in the source's potential to emit. EPA regulations, 40 CFR 51.165, require that the net emissions increase be calculated from the difference between a source's actual emissions prior to modification and the potential emissions after the modification. Under the federal definition, a modified emissions unit (even though it has the same potential to emit as the emissions unit prior to modification) may be subject to New Source Review when the net emissions increase is based on actual emissions.

3-5

In addition, in the District's formula for calculating a source's net emissions increase, D is defined as decreases in actual emissions resulting from permit actions at the stationary source but does not set a baseline date. These decreases should be limited to only those decreases occurring after November 15, 1990.

Rule 802 - Nonattainment Review

1. Section E.1. requires all new or modified stationary sources to mitigate emission increases through actual emission reductions by reducing emissions from existing stationary or non-stationary sources. If the District is intending to use Mobile Source Emission Reduction Credits (MERCs) for offsets, then the District rules must include guidance on determining whether a MERC is quantifiable, permanent, surplus, and enforceable. The District also has the option of removing the reference to non-stationary sources or adding a requirement that all MERCs must be approved by the District and the EPA on a case-by-case basis.

3-6

Rule 803 - Prevention of Significant Deterioration

1. Section E. Requirements - Emission Offsets: Sections 1 and 2 set emission offset requirements for sources located outside Class I areas or Class I impact areas.

However, there does not appear to be any requirements for sources located within a Class I area or Class I impact area.

2. Section F. Requirements - Air Quality Impact Analysis: Modeling: Sections 1 and 2 require the applicant for a new or modified stationary source to demonstrate, by Air Quality Impact Analysis, that their emissions will cause no ambient air quality standard or increment to be exceeded. However, Section 1 applies to sources with emissions greater than the amounts specified in Table 1 (generally 120 pounds per day) while Section 2 applies to sources with emissions greater than 20 pounds per hour. It isn't clear to EPA how, or if, the District intends to apply the two different trigger levels for requiring an Air Quality Impact Analysis.

3-8

Rule 806 - Emission Reduction Credits

1. Section D.5. This Section states that Emission Reduction Credits shall be subject to all requirements of the Environmental Protection Agency prior to use and is apparently referring to the federal requirement that all ERCs must be adjusted for RACT at the time of use. The Clarification of Rule Issues that was submitted with the District's draft rules went into some detail on how ERCs would be RACT discounted. However, there is nothing in the District rules that actually require ERCs to be RACT adjusted. Section D.5. must be expanded, specifying that all ERCs will be discounted by RACT at the time of use and describing in detail the process for applying the RACT discount to the ERCs.

3-9

2. Section D.7. Department of Defense Credits: This Section provides requirements for ERCs generated by the Department of Defense (DOD), including that they can only be used by another DOD facility, are nontransferable, and are not subject to RACT discounting. However, Section 118 of the Clean Air Act requires that all federal facilities shall be subject to, and shall comply with, all federal, state and local air pollution requirements in the same manner and to the same extent as facilities in the private sector. For this reason, DOD ERCs must be subject to RACT discounting upon use just the same as would any other ERC.

3-10

Additional Comments:

1. The District Regulations provide requirements for air permitting for nonattainment pollutants (Rule 802) and attainment pollutants (Rule 803). However, since the District and EPA consider different pollutants to be nonattainment, EPA is concerned that pollutants such as PM-10 would only be regulated as a nonattainment pollutant by the District and would not go through PSD review as required by federal regulation (40 CFR 52.21) and the PSD delegation agreement with the District. EPA would like some clarification in the rules about which regulations would apply to each pollutant.

RESPONSE TO COMMENTS

COMMENT NO.	RULE SECTION	COMMENT SUMMARY	STAFF RESPONSE
1-1	202.D.6	In subparagraph c., replace "involve" with "require a change to", to avoid complicating very modest changes.	Staff agrees with suggested change to language.
1-2	202.D.8, and D.9	Define "routine" in Rule 102. Change reporting requirement by adding "Any change otherwise meeting the requirements of Rule 202.D.6 is exempt from the reporting requirement stated above."	See page 8-7 of the staff report for an explanation of "routine". Staff does not agree that notifying the APCD within 30 days of an equivalent replacement imposes an undue burden. The proposed language was negotiated and agreed to after lengthy discussions and meetings with the Community Advisory Council Subcommittee, and voted upon by the full Advisory Council during their monthly meetings in March, 1996 through February of 1997
1-3	204.E.3.	Change text to read, "Emission limits shall be expressed in terms of an emission cap and, where appropriate, by additional terms such as concentration"	Language will be added to read, "Where appropriate, on a case-by-case basis, emission limits may be expressed in alternate terms for determining compliance with the Best Available Control Technology Standards."
1-4	205.D.	Change text to "pounds per day" to be consistent with the rest of the rules.	Staff disagrees. Pounds per hour is appropriate because BACT requirements and air quality standards are typically expressed in terms of pounds per hour.

COMMENT	RULE	COMMENT	STAFF
NO.	SECTION	SUMMARY	RESPONSE
1-5	801.C	Change the definition of "project": "project shall not include any article, machine, equipment or contrivance described in any previous application for an Authority to Construct permit, if the new application for an Authority to Construct is submitted more than 12 months after the issuance of the Permit to Operate related to the previous project.	Staff disagrees that the language suggested clarifies the definition. The definition is quite clear and is supported by the examples in the Section 8 of the Staff Report. This definition and the examples were discussed at several Community Advisory Council (CAC) subcommittee meetings and CAC meetings both of which included substantial public input. Regarding the suggestion to use the PTO application date to begin the 12 month clock, Staff believes the PTO issuance date is appropriate because it indicates final completion of the project. Staff has proposed the changes to the BACT triggers, including looking at a project instead of the entire source, to provide sources with relief from being required to do a BACT determination for small modifications at existing facilities. It is not intended to allow sources to stage together large operations while avoiding BACT. We believe the proposed language provides the relief from unnecessary BACT review while sufficiently protecting air quality. Further, this language was addressed in public meetings and approved by the CAC and Staff is hesitant to make changes at this late date.
1-6	801.D.3	The requirement to certify other sources are in compliance should only apply to Major Sources.	Limiting the certification provision to major sources would weaken the rule. The language of the proposed rule exists in our current rule and has already been through public review. The requirement has not been a problem for sources in the past and there is no reason to expect it to be in the future.

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COMMENT	RULE	COMMENT	STAFF
NO.	SECTION	SUMMARY	RESPONSE
1-7	102	Add the word air in front of pollutants in the last sentence of the definition of "Affected Pollutants."	The NSR rules contain standards and triggers based on emissions of air pollutants. Therefore, adding the word "air" does not change the meaning of the definitions. Staff believes it is clear that the APCD does not have jurisdiction over other media.
1-7 (cont)	102	In the definition of "Building, Structure or facility" within the definition of "Stationary Source", change to read: "includes all pollutant-emitting activities including those located in California coastal waters".	Thank you for correcting our oversight. The language has been corrected.
1-8	201.C.	Incorporate explanatory note into the rule language, or an improved definition of "erect".	Staff disagrees. The definition is clear and sufficient as written.
1-9	202.E	Change 90 day limit to 180 days.	Staff disagrees that 90 days is insufficient in which to submit an application, absent any data indicating that exemptions will in fact be lost. The proposed rule provides for numerous additional exemptions.
1-10	202.F.4	Insert a comma after the word "rides" so that the exemption applies to other than amusement rides and airshows.	Staff disagrees with the suggested change. The exemption was intended to apply only to engines at such events.
1-11	204.E.	Add statement to Rule 205 to the effect that where toxic air contaminants are involved, the Control Officer may require an analysis of the associated health risk as required by federal and/or state requirements.	Staff disagrees. See staff report Section 8-9 which describes the APCD's criteria.
1-12	208.E.3,E. 4	Change to"whichever occurs later."	The language has been clarified, however the term "longer" will be retained since it is consistent with that language in the Government Code. E.3 and E.4 now read"whichever period of time is longer"

COMMENT NO.	RULE SECTION	COMMENT SUMMARY	STAFF RESPONSE
1-13	801.E.2	Change to read: The Control	Efforts to make the language more
		Officer shall issue a Permit to Operate providing it is determined that"	positive are appreciated, however, since it does not change the requirements and the rule has undergone considerable review, staff is not recommending your proposed language.
1-14	802.G.2 803.K.11	Change 802.G.2 and 803.K.11 consistent with changes to 801.E "the source will be operated consistent with the application, supplements and clarifications provided by the applicant, and engineering evaluation used"	The language you suggest would not make any change to the way the District rules are interpreted. Since the proposed language has already undergone significant public review, which included review by representatives of your company, we are not proposing any change at this time.
1-15	806.E.1	Shutdowns which do not meet EPA's criteria should be disqualified as ERCs rather than discounting all shutdown credits 20 percent.	Regarding the additional discounting applied to shutdowns credits, staff proposed this approach because many shutdowns would occur through the course of normal business attrition ¹ , and such emission reductions would not qualify as offset credits (i.e., surplus and permanent). In fact, the least viable companies, those most likely to go out of business, would be the first purchased for shutdown credits. Thus, staff proposed the 20 percent discount on emission reductions that result from shutdowns or reductions in throughput. This approach was agreed to in combination with changing the offset ratios during CAC subcommittee meetings and recommended for approval by the CAC as a whole. Therefore, staff is not proposing to modify the rule.

In its proposed Open Market Trading Policy, the US Environmental Protection Agency does not allow shutdowns to be used to generate emission reduction credits for this program.

COMMENT NO.	RULE SECTION	COMMENT SUMMARY	STAFF RESPONSE
2-1	802.E.	Demonstration that our proposed offset threshold of 10 tons NEI is equivalent to the state mandated no net increase for sources with PTE greater than 25 tons per year.	Please refer to the attached Equivalency Demonstration.
2-2	802.C	BACT - must only sum increases for a project.	Staff agrees. Only increases are summed when determining if a project triggers BACT. No netting is allowed. Please see staff report page 8-20.
2-3	802.C	BACT for greater than or equal to.	Thank you for pointing out this oversight. We have changed the rule text accordingly.
2-4	801.C	NEI and the use of paper reductions to offset real increases.	The dual source definition mitigates the potential for paper reductions to be used to mitigate actual increases. If a source comes in with an emission unit or modification that will emit more than 10 tons per year, the source will be required to offset those increases. For sources where the project is below 10 tons per year, our rule looks at the new NEI of the entire source. This NEI is calculated from the PTE of the existing source plus the emissions from the modification. If the resultant NEI is over 10 tpy, the source must offset that NEI. ARB's concern seems to be with a source having a PTE much greater than their actual emissions reducing permitted emissions to offset a real increase. The dual source definition protects against this. In addition, if the facility's post 1990 NEI is over 10 tons, they must offset the increases with decreases that have gone through the source register (bank). Since only real emission decreases can be placed in the source register, paper increases cannot be used to offset real increases.
2-5	202.U.2.	Provide a reference test method for initial boiling point of solvents.	Text has been added to indicate ASTM D-1078-86.

COMMENT NO.	RULE SECTION	COMMENT SUMMARY	STAFF RESPONSE
2-6	202.V.2.	Provide a reference test method for API gravity.	Text has been added to indicate ASTM D-4057.
2-7	202.F.1.d	Limit engine maintenance hours to 60 without placing any limit on actual emergency operation.	For now, the 200 hour limit is being retained based on a consensus recommendation from the APCD's Community Advisory Council. The District has scheduled development of a separate rule which will address emergency operation of equipment.
3-1	102	Need definition for the term Contemporaneous.	Please note that we rely on the common meaning of contemporaneous, not EPA's definition. Websters defines contemporaneous as "existing or happening in the same period of time." Therefore, it is not necessary to include our own definition. Rule 804.D.3 precludes emission reductions from outside the District from being used as offsets unless they are contemporaneous reductions. This means that the reductions cannot be banked reductions but must occur in the same time period as the emission increases.
3-2	201.D.	Include language that ensures that the ATC conditions do not expire when the PTO is issued.	Staff disagrees. The ATC is superseded by the PTO, which contains all the relevant requirements from the ATC. If the project changes between ATC and PTO, the District requires a modification to the ATC.

COMMENT NO.	RULE SECTION	COMMENT SUMMARY	STAFF RESPONSE
3-3	202.D.	Add an overall gatekeeper that would apply to aggregated emissions from all of the equipment categories.	In its letter transmitting the proposed regulations to EPA for EPA's review, staff addressed this issue and requested EPA's assessment. In short, staff indicated that while the APCD is proposing a number of exemptions not allowed by EPA, the APCD is also proposing new source review triggers that are substantially more protective that those required by EPA. In aggregate it is staff's conclusion that the APCD's new source review program is significantly more environmentally protective than EPA's.
3-4	202.D.6	Add"uncontrolled potential to emit"	Added as suggested.
3-5	801.C.	Paper Emission reductions in the Net Emission Increase definition.	The NEI calculation allows decreases in permitted emissions (P2) to be subtracted from the NEI only if they were included in the NEI (as PTE) in the first place. If this were not allowed, sources could have NEI for equipment that is no longer at the facility. The NEI formula makes it impossible for a source to offset real increase with paper decreases. Secondly, Santa Barbara APCD uses a dual source definition. Therefore, any modification that emits 10 tons or more would trigger offsets no matter what other reductions may occur. If the modification itself is over the threshold, then offsets must be provided. The 10 tons per year threshold is more restrictive than EPA's threshold. In regards to the second part of this comment, the definition of NEI states that only decreases that occur after November 15, 1990 may be included in the NEI calculation.

COMMENT	RULE	COMMENT	STAFF
NO.	SECTION	SUMMARY	RESPONSE
3-6	802.E.1	Requirements for Offsets from Non-stationary Sources.	Rule 802 Section G.1.b.3) requires the District to provide EPA and ARB with an analysis support package when a source is required to provide offsets prior to permit approval. Thus, EPA will have the chance to review offsets obtained from stationary sources as well as non-stationary sources.
3-7	803.E	Why are offsets required for sources outside but not inside Class 1 and Class 1 Impact Areas?	The Santa Barbara APCD does not require offsets for sources within a Class 1 or Class 1 Impact Area because the air quality increment is so much lower for such sources. Therefore, sources proposing to increase emissions within a Class 1 or Class 1 Impact Area are required to build a clean enough project to avoid consuming an air quality increment. Staff believes this is sufficient protection for Class 1 and Class 1 Impact Areas.
3-8	803.F.	How does the District intend to handle the two different triggers for AQIA	The 20 pounds per hour trigger for TSP is based on the entire source emissions where the 120 pound per day trigger is based on the net emission increase of the source. A source is required to perform an AQIA if they exceed either trigger
3-9	806.D.5	The rule should provide details about how ERCs will be RACT discounted at time of use.	The District will use EPA procedures for discounting ERCs at the time of use. As described in the note following Section 806.D.5 this requirement means RACT discounting at time of use. This note is part of the public record and will be used to interpret intent of the rule. In this case, the intent is clear. Staff used general rather than specific language to allow rule text to accommodate changes in EPA policy.

COMMENT NO.	RULE SECTION	COMMENT SUMMARY	STAFF RESPONSE
3-10	806.D.7	Department of Defense Credits must be RACT discounted.	The ERCs affected by the Department of Defense Credits requirements of Rule 806 were explicitly identified in the regional nonattainment plan (Clean Air Plan) as surplus. Therefore, RACT discounting is not needed to demonstrate that the credits are surplus.
3-11	Reg VIII	Additional Comments. EPA is concerned that where the District is nonattainment with the state standard but attainment for the federal standard for a pollutant, sources of that pollutant will only undergo non-attainment review and skip PSD.	Where Santa Barbara APCD is nonattainment for pollutant for the state standard but attainment for the federal standard, sources emitting that pollutant undergo both nonattainment and PSD review.



May 9, 1997

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Harry A. Metzger Stationary Source Division California Air Resources Board P.O. Box 2815 Sacramento, California 95812 RECEIVED

MAY 1 3 1997

RULE EVALUATION SECTION AIR RESOURCES BOARD

Subject: SIP Submittal for Revised Rule 102, Regulation II and Regulation VIII

Dear Mr. Metzger:

On April 17, 1997, the Santa Barbara County Air Pollution Control District Board of Directors held a public hearing on proposed revisions to Rule 102 (Definitions), Regulation II - Permits, and new Regulation VIII (New Source Review). Also revised to correct superseded references were six other District rules, which include Rule 210 (Fees), Rule 316 (Storage and Transfer of Gasoline), Rule 321 (Control of Degreasing Operations), Rule 333 (Control of Emissions from Reciprocating Internal Combustion Engines), Rule 339 (Motor Vehicle and Mobile Equipment Coating Operations), and Rule 342 (Control of Oxides of Nitrogen (NOx) From Boilers, Steam Generators and Process Heaters). After the public hearing, the Board adopted the revised rules.

The changes to the Rules are summarized below:

- 1. Rule 102 Numerous changes, additions and deletions to definitions. See strikeout/underline text.
- 2. Regulation II
 - Rule 201 Provision for combined Authority to Construct and Permit to Operate.
 - Rule 202 Emissions caps, restrictions on drill rig exemption, new exemptions for Military, Semiconductor industry.
 - . Rule 203 Clarification of requirements for transferring permits.
 - . Rule 204 Clarification of permitting requirements.
 - . Rule 205 Most requirements moved to Regulation VIII.
 - . Rule 208 Implements state mandates for permit streamlining.
- 3. Regulation VIII
 - . Rule 801 Changes definition of Net Emission Increase.
 - Rule 802 Change of BACT threshold level, threshold criteria and source applicability, offset thresholds,

Douglas W. Allard

Air Pollution Control Officer
26 Castilian Drive B-23, Goleta, CA 93117 Fax: 805-961-8801 Phone: 805-961-8800

Our Vision: Clean Air

- Rule 803 Change in base year for net emission increase, pounds per hour threshold change to pounds per day, change of offset threshold.
- Rule 804 Sets requirements for obtaining offsets and ensuring that offsets are pemanent, surplus, and quantifiable.
- Rule 805 Sets requirements for performing Air Quality Impact Analysis and modeling.
- . Rule 806 Sets requirements for registering emission reductions as emission reduction credits.

Please find the enclosed SIP submittal package including the following attachments:

- 1. SIP Completeness Checklists
- 2. Rule Evaluation Forms
- 3. SIP Approvability Checklists Enforceability
- 4. Rule 102, Regulation II and Regulation VIII, Rule 210, Rule 316, Rule 321, Rule 333, Rule 339, and Rule 342
- 5. Strikeout/Underline Copy of Rule 102, Regulation II and Regulation VIII, Rule 210, Rule 316, Rule 321, Rule 333, Rule 339, and Rule 342
- 6. Public Comments and Staff Responses
- 7. Public Notice
- 8. Signed Resolution and Minute Order
- 9. Staff Report

If you have any questions regarding this submittal, please contact Bette Easton at (805) 961-8898 regarding Regulation II, or Tad Bixler at (805) 961-8896 regarding Rule 102 and Regulation VIII.

Sincerely,

Larry Rennacker

Rule Development Supervisor

cc all:

Bette Easton, Tad Bixler

cc cover only: Larry Rennacker